

T-8

TIDEWATER UTILITIES, INC.

PSC DOCKET NO.

WITNESS: GARY D. SHAMBAUGH

DATE SUBMITTED:

BEFORE THE  
DELAWARE PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

GARY D. SHAMBAUGH, PRINCIPAL & DIRECTOR  
AUS CONSULTANTS

ON BEHALF OF

TIDEWATER UTILITIES, INC.

CONCERNING

COST OF SERVICE ALLOCATIONS  
AND RATE DESIGN

NOVEMBER 2013

1 Q. Please state your name, occupation and business address.

2  
3 A. My name is Gary D. Shambaugh. I am employed in the position of Principal & Director  
4 with AUS Consultants which specializes in rate filings, various financial studies including  
5 valuation, depreciation, and cost of service studies. AUS Consultants is located at 275  
6 Grandview Avenue, Suite 100, Camp Hill, Pennsylvania, 17011.

7  
8 Q. Please describe your professional qualifications.

9  
10 A. I have an associate in arts degree in accounting from the Harrisburg Area Community  
11 College and further studies in cost of service, customer tariff design, and depreciation. I  
12 have over 40 years' experience in preparing various financial studies, including rate  
13 studies; for electric, gas, water, wastewater, steam heat, chilled water, and telephone  
14 utilities. I have provided service to and have testified before regulatory agencies regarding  
15 both municipal and investor-owned utilities in many jurisdictions including  
16 commonwealth courts, county courts, and federal bankruptcy courts. I have been qualified  
17 as an expert and have provided expert testimony relative to utility financial matters in, but  
18 not limited to, Connecticut, Florida, Louisiana, Pennsylvania, Massachusetts, Michigan,  
19 Mississippi, New Jersey, North Carolina, Rhode Island, South Carolina, Tennessee and  
20 West Virginia. I have also provided consulting services to utilities in other states,  
21 including, California, Hawaii, Illinois, Indiana, Kentucky, Maryland, New York, New  
22 Mexico, Ohio, and Virginia, AUS Consultants is currently under contract to provide

1 advisory services to the Regulatory Commission of Alaska (RCA). I have provided utility  
2 financial services to the RCA under that contract. Over the years, I have presented  
3 numerous papers relating to utility management for various industry trade associations and  
4 the University of Maine's Margaret Chase Smith Center for Public Policy. I also teach the  
5 advanced regulatory training in financial planning, strategies and accounting issues for  
6 water and wastewater systems for the New Mexico State University's Center for Public  
7 Utilities.

8  
9 Q. Have you submitted testimony previously before the Delaware Public Service  
10 Commission?

11  
12 A. No. I have not previously testified before the Delaware Public Service Commission.

13  
14 Q. What is the nature of your assignment in the present proceeding?

15  
16 A. Tidewater Utilities, Inc. ("Company) requested that AUS Consultants develop a water cost  
17 of service allocation study reflecting the revenue requirement submitted in this proceeding  
18 and to design a schedule of rates and charges to recover that revenue requirement. This  
19 testimony will address and describe these studies.

20  
21 Q. Please explain the purpose of a cost of service study.

1 A. A cost of service allocation study allocates the total revenue requirement among classes of  
2 customers in order to obtain an indication of the cost responsibilities of each class of  
3 customers. The data used in the studies discussed herein includes utility plant in service,  
4 depreciation reserve and expense, rate base, operations and maintenance expense, taxes,  
5 and operating income.

6  
7 Q. Will you please explain the methodology and allocation bases utilized in a cost of service  
8 study?

9  
10 A. Several bases or methods have evolved for use in the allocation of water utility costs. In  
11 most methods, the costs are allocated in two major steps: first to functional cost  
12 categories, and second to customer classes. The cost allocation process is based upon the  
13 "Base-Extra Capacity Method" as recognized by the American Water Works Association  
14 as set forth in its Water Rates Manual M1. This methodology identifies costs and  
15 allocates them to the functional cost categories of base cost, extra capacity cost, customer  
16 cost, and fire hydrant cost. Once the cost of service has been allocated to functional cost  
17 categories, the typical procedure is to then allocate such functional cost categories directly  
18 to the customer classes.

19  
20 Q. Would you please describe the above listed functional cost categories?

21  
22 A. The base cost category includes those costs which would typically be incurred if the water

1 system were operated at a uniform rate year-round and customers received water on the  
2 same basis. That is, base costs are typically associated with the provision of service under  
3 average or base load conditions without meeting peak demand requirements or water use  
4 variations. Base costs include the operating costs of supply, treatment, pumping, and  
5 distribution facilities, as well as the capital costs for water plant investment associated  
6 with serving customers at a constant, average rate of use.

7 The extra capacity cost category includes those costs related to peak rates of water  
8 use in excess of average requirements. Extra capacity costs include capital and operating  
9 charges for additional plant and system capacity beyond that required for an average rate  
10 of use. These costs have been sub-divided into costs pertaining to maximum day and  
11 maximum hour extra demand criteria in the water cost of service study.

12 The customer cost category includes those costs related with connecting and  
13 serving customers irrespective of the volume of water used or demand requirements  
14 imposed. Customer costs generally comprise capital and operating costs related to  
15 services, meters, and customer installations and meter reading, billing, and collecting  
16 expenses. Customer costs have been sub-divided into costs related to commercial  
17 operations and costs related to meters and services in the study.

18 The fire hydrant functional cost category comprises costs related to fire protection,  
19 which are principally the capital investment in and maintenance of fire hydrants.

20  
21 Q. How are the costs of the water utility assigned to the functional cost categories?  
22

1 A. Allocation factors are developed for each item of capital investment, operating expense,  
2 and other costs to assign all or a portion of the cost to the appropriate functional cost.  
3 Certain costs, such as chemical costs for water treatment, are assigned entirely to the base  
4 cost function. Other costs, such as meter reading and billing, are assigned directly to the  
5 customer cost function. Many cost elements are not specifically related to a single cost  
6 function and are therefore allocated on the basis of appropriate factors. For example, the  
7 capital investment in and associated fixed charges of facilities required to meet maximum  
8 daily demands are allocated to the base cost and extra capacity maximum day functions in  
9 accordance with the relationship of the system's maximum day consumption to the  
10 average annual rate of consumption. Therefore, if the maximum daily rate of water  
11 consumption is equal to 15 million gallons per day, and average use is 10 million gallons  
12 per day, facilities required to meet maximum daily demands would be allocated 66.7  
13 percent ( $10 \div 15$ ) to the base cost function and 33.3 percent ( $5 \div 15$ ) to the extra capacity  
14 maximum day function. Costs related with facilities required to meet maximum hourly  
15 demands are allocated in a similar manner.

16  
17 Q. Did you prepare an exhibit which sets forth the results of your study?

18  
19 A. Yes, I did. The accompanying Exhibit sets forth schedules which illustrate the study  
20 developed for the Company. The entirety of Exhibit has been identified as T-6 in this  
21 proceeding; however, it is referred to as Exhibit in my testimony.

1 Q. Please describe what Schedule 1 shows?

2

3 A. Schedule 1 presents the details of the allocation for the Company of the pro forma rate  
4 base to the previously defined cost functions. The left-most column of Schedule 1 sets  
5 forth the plant account numbers. The next column is a description of the item being  
6 allocated and the third column from the left is the total cost of the item being allocated.  
7 The allocations to the cost functions are shown in Columns 4 through 10, while the right-  
8 most column indicates the allocation code for the specific allocation factor used to allocate  
9 each cost element to the cost functions.

10

11 Q. Please explain Schedule 2?

12

13 A. Schedule 2 is developed in a format which is similar to that of Schedule 1. Schedule 2  
14 sets forth the details of the allocation of pro forma operation and maintenance expenses to  
15 the previously defined cost functions.

16

17 Q. Please describe Schedule 3?

18

19 A. Schedule 3 is similar in format to Schedule 2 and provides the details of the allocation of  
20 the pro forma depreciation expense to the cost functions.

21

22 Q. Please explain Schedule 4.

1 A. Schedule 4 completes the allocation of the pro forma revenue requirement to the cost  
2 functions. The operation and maintenance expense allocation and the depreciation  
3 expense allocation are summarized on this schedule. Taxes other than income taxes, state  
4 and federal income taxes, and utility operating income are allocated on this schedule. The  
5 total of these components comprise the allocation of the pro forma revenue requirement.  
6 Contract sales, connection fees, and other operating revenues are deducted on this  
7 schedule to calculate the net operating revenue required from rates.

8  
9 Q. Can you please briefly explain the functional cost allocation codes?

10  
11 A. An allocation code is a reference number that designates a group of percentages which are  
12 used to allocate the total amount of a cost element to the cost functions. Pages 1 and 2 of  
13 Schedule 5 of Exhibit No. T-8 contain a written description of the allocation bases. Page  
14 3 of Schedule 5 sets forth a list of the allocation codes and factors used to allocate costs to  
15 the cost functions and illustrate the development of several of the factors used in the  
16 allocation of cost elements to the cost functions.

17  
18 Q. How were the maximum day and maximum hour system factors at the bottom of page 3 of  
19 Schedule 5 determined?

20  
21 A. The maximum day and maximum hour system demand factors used in the cost of service  
22 study are the same factors currently used as system design parameters by the Company.

1 Q. Please briefly explain the customer classifications?

2  
3 A. Customer classifications are groupings of customers that are recognized to have  
4 reasonably similar characteristics. The customer classifications include general water  
5 service, private fire protection service, and public fire protection service.

6  
7 Q. How are the costs and expenses of the Company allocated to the customer groups?

8  
9 A. Each customer group is charged with a portion of the base cost, the extra capacity cost, the  
10 customer cost, and the fire hydrant cost. This is accomplished by developing allocation  
11 factors that relate the individual customer group cost responsibility to the total cost  
12 responsibility of all customers served. The total of all costs attributable to a customer  
13 group is the total indicated cost of service for that group.

14  
15 Q. Please describe how each individual cost category is allocated to the customer groups?

16  
17 A. Base costs are costs that would be incurred in supplying water at the annual average rate  
18 of usage exclusive of costs incurred in meeting peak demand requirements or water usage  
19 variations. Base costs are allocated to the customer groups in the same proportion that the  
20 total annual volume of water used by each customer group is to the total annual system  
21 water use.

22 Extra capacity costs are costs incurred in meeting peak rates of water usage in

1 excess of the average requirements. Extra capacity maximum day costs are allocated to  
2 the customer groups in accordance with the maximum day demand assigned to each  
3 customer group which is in excess of the average rate of consumption. For fire protection  
4 costs, demand estimates are calculated on the basis of system capacity and fire demand  
5 requirements. Extra capacity maximum hour costs are allocated on the same basis as the  
6 maximum day costs except that the maximum hour excess demand is utilized as the  
7 controlling factor.

8 Customer costs are allocated to the customer groups based on the total number of  
9 equivalent 5/8" meters, the total number of equivalent services, and the billing costs.  
10 Equivalent 5/8" meters are developed by utilizing ratios that are based on the relative  
11 capacity of each size of meter, as set forth in criteria published by the American Water  
12 Works Association, and applying this ratio to the number of meters of various sizes in  
13 each customer group. Similarly, equivalent services are developed by utilizing ratios  
14 related to the size of each service. Units based on equivalent 5/8" meters and equivalent  
15 services are utilized since customer costs generally vary and increase with the size of the  
16 individual customer's meter and service.

17 Customer group billing requirements are used to allocate the commercial customer  
18 costs (that is, the costs related to maintenance of customer records, billing, and collecting)  
19 to the various customer groups.

20 Fire hydrant functional costs are directly assigned to the public fire protection  
21 customer group.

1 Q. Have you prepared a schedule that reflects the customer class allocation in the exhibit  
2 which you have prepared?

3  
4 A. Yes, I have. The customer class allocations for the Company are contained on Schedules  
5 6 through 8 of Exhibit No. T-8.

6  
7 Q. Please explain Schedule 6?

8  
9 A. Schedule 6 presents the details of the allocation of the revenue requirement functional  
10 costs, as developed on Schedule 4, to the customer groups. The far left column of  
11 Schedule 6 describes the cost elements which were developed on Schedule 4, while the  
12 next column shows the total cost of the items being allocated. The allocations to the  
13 customer groups are shown in columns 3 through 5. The right-most column indicates an  
14 allocation code for the specific allocation factor utilized to assign each cost element to the  
15 customer groups.

16  
17 Q. Was a summary prepared that shows the development of the allocation codes used in  
18 Schedule 6?

19  
20 A. Yes. Schedule 7 contains a list of the codes and factors utilized in the customer group  
21 allocations while Schedule 8 sets forth the details of the development of the factors  
22 utilized in the customer group allocations.

1 Q. Please explain Schedule 7.

2  
3 A. Page 1 of Schedule 7 provides narrative descriptions of the allocation codes used in the  
4 customer group allocations. Page 2 of Schedule 7 lists the allocation factors.

5  
6 Q. Please describe Schedule 8?

7  
8 A. Schedule 8 of Exhibit No. T-8 contains the development of the factors utilized in the  
9 allocations to the customer groups. Page 1 of this schedule reflects the pro forma annual  
10 consumption and the non-coincident maximum day and maximum hour demands by  
11 customer group. The consumption data are based on metered sales and in the case of fire  
12 protection, an estimated usage. Maximum daily and maximum hourly totals for customer  
13 groups are based on the application of customer group demand factors to the average  
14 consumption. Page 1 of Schedule 8 also develops the customer group allocation factors  
15 related to the functional customer costs. The number of bills, the number of equivalent  
16 meters, and the number of equivalent services are shown by customer group on this  
17 schedule. Page 2 of Schedule 8 reflects the detailed development of the equivalent meters  
18 and the equivalent services. Page 3 of Schedule 8 shows the development of the private  
19 and public fire protection allocation factors.

20  
21 Q. How were the results of the cost of service study utilized in the development of proposed  
22 rates?

1 A. The results of the cost of service study were used as a general guide in the development of  
2 the proposed rate schedule for the Company. It is very unusual for water utility rates to be  
3 in exact agreement with all aspects of a cost of service study. Typically, minor differences  
4 will exist just as a matter of normal circumstances. Cost of service allocations are the  
5 products of analyses based in part on judgment and experience and their results provide a  
6 substantial aid in the design of rates. Actual tariff design, in addition to relying on the  
7 results of cost of service study, should include consideration of policy matters, impact on  
8 rate changes, future planning, special customer characteristics, and other requirements.  
9

10 Q. Please discuss the development of the proposed rates and charges?  
11

12 A. The cost of service study was developed based upon a total revenue requirement of  
13 \$30,978,874 which is an increase of \$3,903,337 (or about 14.42%) above the \$27,075,537  
14 pro forma present rate revenues. The revenues received from present rates can be  
15 compared with the cost of service indications as follows:

<u>Class</u>	<u>Present Rate Revenue</u>	<u>Cost of Service Indications</u>
General Water	\$21,086,327	\$24,451,533
Public Fire	1,863,736	2,203,383
Private Fire	976,304	755,756
Subtotal	\$23,926,367	\$27,410,672
Contract Sales	\$1,261,118	\$1,449,693
Connection Fees	1,541,077	1,771,520
Other Revenue	346,975	346,975
Grand Total	<u>\$27,075,537</u>	<u>\$30,978,860</u>

1           The cost of service indications for the contract sales and the connection fee  
2 components were developed by applying an approximate 14.95% increase to these  
3 categories. This increase is approximate to the overall requested increase when other  
4 revenue is not considered. The cost of service indication for other revenue is based on a  
5 detailed analysis as set forth on Minimum Filing Requirements (MFR) Schedule 3A.  
6 Based on the above comparisons, general water service would require about a 15.95%  
7 increase to meet its cost of service indications; public fire would require about an 18.26%  
8 increase to meet its cost of service indications; and private fire would require about a  
9 22.59% decrease to meet its cost of service indications.

10           I would suggest increasing public fire by about 18.26% (or about 1.14 times the  
11 15.96% overall increase to general metered service. I would suggest decreasing private  
12 fire by 22.59% as calculated on Schedule 10. This is consistent with cost of service  
13 principals when trying to move customer tariff rate designs in line with the cost of  
14 providing service. The remaining revenues would be obtained from general water service.  
15

16       Q.   Please explain what rates would result from the above suggestions?  
17

18       A.   The quarterly charge for public fire protection would be \$17.84 to those customers who  
19 have access to public fire service while the charge for a 6" private fire service would be  
20 \$736.09 per quarter.  
21

22       Q.   What rates have you developed for general water service?

1 A. Prior to discussing the development of rates for general water service, I would like to  
2 note that in this case, I believe that other costs in addition to the functional customer costs  
3 should be included in the development of the facilities charges. This is appropriate due to  
4 the number of seasonal customers who only use water during part of a year but have water  
5 service available throughout the entire year.

6 The inclusion of other costs in addition to the functional customer costs in  
7 customer (facilities) charges is recognized in the AWWA Water Rates Manual M1 which  
8 states that "The service charge is designed to recover customer-related costs and possibly  
9 some capacity-related costs associated with readiness to serve..." (Fourth Edition, page  
10 34). Also, AWWA Water Rates Manual M1 notes that "a portion of distribution-main  
11 costs as well as a portion of demand-related costs are sometimes included in the  
12 determination of service charges." (Fourth Edition, page 39).

13 In addition to the above examples, further support for the inclusion of other items  
14 in the customer charge may be obtained from Publication NRRI 93-13 of the National  
15 Regulatory Research Institute. That publication, entitled "Meeting Water Utility Revenue  
16 Requirements: Financing and Ratemaking Alternatives", states on page 70 that "common  
17 (overhead) costs include those costs (for example, administrative and general) that are  
18 generally independent of the number of customers, maximum demand, average demand,  
19 and volume of usage. Common costs can be recovered via a periodic service charge."

20 The majority of a water utility's costs are fixed and would be incurred regardless  
21 of the amount of water produced. Very few of a water utility's costs vary with water  
22 production. Typically, the costs of purchased water, purchased power, and treatment

1 chemicals will change as water production changes and the majority of the other costs will  
2 remain unchanged as water production changes.

3  
4 Q. Please continue with your discussion related to the development of the general water rates  
5 and charges?

6  
7 A. The development of the facilities charges is set forth on Schedule 9 of Exhibit No. T-8.  
8 As reflected on this schedule, rather than using all of the extra capacity costs, I have  
9 included 78% of the general water maximum day functional costs as a measure of capacity  
10 to be included in the facilities charges. This approach is conservative. The proposed  
11 facilities charges are about 15.70% higher than the present facilities charges.

12 Q. How were the volumetric water usage charges developed for general water service?

13  
14 A. Once the facilities charges, the public fire protection charges, and the private fire  
15 protection charges have been developed, the volumetric water usage charge can be  
16 developed. In order to achieve the proposed revenue of \$30,978,874, the volumetric rates  
17 for general water service will need to produce revenue of \$14,821,304. This results in an  
18 overall increase of \$2,058,363 or 16.13%.

19 The current apartment and commercial customers' volumetric water usage charge  
20 of \$8.1519 per thousand gallons was increased by 14.95% to \$9.3709. The residential  
21 customer's test period consumption was blocked to the three (3) rate blocks detailed  
22 above. The rates were then developed to achieve the overall requested total revenue of

1           \$30,978,874.

2                   Schedule 11 shows the revenues that are developed from the proposed rates. The  
3           proposed revenue totals \$30,978,860 which is about \$14 less than the requested total  
4           revenue requirement of \$30,978,874. This difference is considered negligible and  
5           acceptable for rate design purposes.

6  
7       Q.   Have you prepared a schedule that presents the amounts charged and billed to customers  
8           under the proposed rates with the amounts charged and billed under present rates?

9  
10    A.   Yes. This comparison is shown for a number of meter sizes and water usage levels on  
11       Schedules 12 and 13 of Exhibit No. T-8.

12   Q.   Are there additional areas you wish to address?

13  
14   A.   Yes. The following section of my testimony will address wholesale rates.

15  
16   Q.   Does the Company presently have any customers being served under wholesale rates?

17  
18   A.   Yes. At this time, the company provides wholesale service under contract to the Dover  
19       Air Force Base off-base housing, Southern Shores Water Company, and the Town of  
20       Ocean View.

21  
22   Q.   Did you prepare any analyses with respect to wholesale rates?

1  
2 A. Yes.

3  
4 Q. Please describe these analyses.

5  
6 A. These analyses are shown on Schedules 14, 15, and 16 of Exhibit No. T-8. Three separate  
7 analyses are reflected on Schedule 14, namely the development of a unit variable cost, a  
8 unit base cost, and a unit O&M cost.

9 As shown on Schedule 14, the unit variable cost is \$0.6796 per thousand gallons.  
10 Variable costs are costs that will change as the volume of water production changes.  
11 Variable costs include purchased water, purchased power, and chemicals. A wholesale  
12 rate more than the unit variable cost assures that the utility will recover the additional  
13 costs related to serving wholesale customers.

14 As reflected on Schedule 14, the unit base cost is \$3.0727 per thousand gallons.  
15 The unit base cost is sometimes considered as the lowest price for water sales. Also  
16 reflected on this schedule is the development of a unit O&M cost which includes the non-  
17 customer accounting and the non-general and administrative costs of the utility. The unit  
18 O&M cost is \$3.2557 per thousand gallons.

19  
20 Q. Did you prepare any other analyses related to wholesale rates?

21  
22 A. Yes. Schedules 15 and 16 of Exhibit No. T-8 set forth a modified production cost study.

1 A production cost study typically considers only supply, pumping, and treatment costs.  
2 The study on Schedules 15 and 16 is modified in that in addition to the above costs, it also  
3 includes 15% of the transmission and distribution costs included in this rate proceeding.  
4 Schedule 15 sets forth a rate base development while Schedule 16 sets forth a revenue  
5 requirement development. Schedules 15 and 16 utilize base cost and extra capacity cost  
6 data that were developed on Schedules 1 through 4 of Exhibit No. T-8 with adjustments as  
7 noted in the footnotes of Schedules 15 and 16. A wholesale rate based on this production  
8 cost is developed at the bottom of page 3 of Schedule 16. The developed wholesale rate is  
9 \$5.6980 per thousand gallons. It is noted that all but one (Ocean View) of the proposed  
10 contract rates (as set forth on Page 2 of Schedule 11) are more than the wholesale rate  
11 developed and explained on Schedule 16.

12  
13 Q. Is this the extent of your testimony in this proceeding at this time?

14  
15 A. Yes, it is.

Exhibit No. T-8  
TIDEWATER UTILITIES, INC.  
PSC DOCKET NO.  
WITNESS: Gary D. Shambaugh  
DATE SUBMITTED:

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CONCERNING

COST OF SERVICE ALLOCATIONS  
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NOVEMBER 2013

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to Exhibit No. T-8  
of Gary D. Shambaugh

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Tidewater Utilities, Inc.  
Test Period Ending June 30, 2014  
Allocation of Pro Forma Rate Base

Acct. No.	Description	Total Cost	Base Cost	Extra Cap Max Day	Extra Cap Max Hour	Customer Commercial	Customer Meters	Customer Services	Fire Hydrants	Allocation Code
Pro Forma Utility Plant in Service										
310	Land and Land Rights	\$365,228	\$146,091	\$219,137	\$0	\$0	\$0	\$0	\$0	21
314	Wells & Springs	4,006,999	1,602,800	2,404,199	0	0	0	0	0	21
316	Supply Mains	25,383	10,153	15,230	0	0	0	0	0	21
320	Land and Land Rights	70,485	9,396	14,097	46,992	0	0	0	0	41
321	Structures and Improvements	8,749,083	1,166,253	1,749,817	5,833,013	0	0	0	0	41
323	Other Power Prod. Equip.	639,656	85,266	127,931	426,459	0	0	0	0	41
325	Electric Pumping Equipment	17,969,705	2,395,362	3,593,941	11,980,402	0	0	0	0	41
326	Diesel Pumping Equipment	3,000	400	600	2,000	0	0	0	0	41
331	Structures and Improvements	268,070	107,228	160,842	0	0	0	0	0	21
332	Water Treatment Eq.	7,588,257	3,035,303	4,552,954	0	0	0	0	0	21
340	Land and Land Rights	2,119	212	318	1,589	0	0	0	0	45
342	Dist. Reservoirs & Standpipes	13,277,015	1,327,702	1,991,552	9,957,761	0	0	0	0	45
343	Trans. & Dist. Mains	82,880,508	11,047,972	16,576,102	55,256,434	0	0	0	0	44
345	Services	17,206,899	0	0	0	0	0	17,206,899	0	25
346	Meters	4,553,934	0	0	0	0	4,553,934	0	0	24
347	Meter Installations	440,680	0	0	0	0	440,680	0	0	24
348	Hydrants	7,913,481	0	0	0	0	0	0	7,913,481	26
395	Laboratory Equipment	71,338	71,338	0	0	0	0	0	0	20
	Subtotal All Above	\$166,031,840	\$21,005,476	\$31,406,720	\$83,504,650	\$0	\$4,994,614	\$17,206,899	\$7,913,481	
	Subtotal % (Percent Code 29)	100.00 %	12.65 %	18.92 %	50.29 %	0.00 %	3.01 %	10.36 %	4.77 %	
301	Organization	\$9,079	\$1,148	\$1,718	\$4,566	\$0	\$273	\$941	\$433	29
302	Franchises & Consents	695,322	87,958	131,555	349,677	0	20,929	72,035	33,168	29
303	Misc. Intangible Plant	6,958	880	1,316	3,499	0	209	721	333	29
389	Land and Land Rights	38,684	4,894	7,319	19,454	0	1,164	4,008	1,845	29
390	Structures and Improvements	233,041	29,480	44,091	117,196	0	7,015	24,143	11,116	29
391	Office Furniture & Equipment	2,754,692	348,469	521,188	1,385,335	0	82,916	285,386	131,398	29
392	Transportation Equipment	2,188,709	276,872	414,104	1,100,702	0	65,880	226,750	104,401	29
394	Tools, Shop, and Garage Equip.	676,408	85,566	127,976	340,166	0	20,360	70,076	32,264	29
396	Power Operated Equipment	279,917	35,410	52,960	140,770	0	8,426	28,999	13,352	29
397	Communication Equipment	276,083	34,924	52,235	138,842	0	8,310	28,602	13,170	29
398	Other Tangible Equipment	342,963	43,385	64,889	172,476	0	10,323	35,531	16,359	29
	Total Plant in Service	\$173,533,696	\$21,954,462	\$32,826,071	\$87,277,333	\$0	\$5,220,419	\$17,984,091	\$8,271,320	
	(Percent Code 29)	100.00 %	12.65 %	18.92 %	50.29 %	0.00 %	3.01 %	10.36 %	4.77 %	
Pro Forma Depreciation Reserve										
314	Wells & Springs	(\$384,848)	(\$153,939)	(\$230,909)	\$0	\$0	\$0	\$0	\$0	21
316	Supply Mains	31,141	12,456	18,685	0	0	0	0	0	21
321	Structures and Improvements	(1,838,706)	(245,100)	(367,741)	(1,225,865)	0	0	0	0	41
323	Other Power Prod. Equip.	(266,923)	(35,581)	(53,385)	(177,957)	0	0	0	0	41
325	Electric Pumping Equipment	(3,249,295)	(433,131)	(649,859)	(2,166,305)	0	0	0	0	41
326	Diesel Pumping Equipment	(1,867)	(249)	(373)	(1,245)	0	0	0	0	41
331	Structures and Improvements	(75,698)	(30,279)	(45,419)	0	0	0	0	0	21
332	Water Treatment Eq.	(1,488,675)	(595,470)	(893,205)	0	0	0	0	0	21
342	Dist. Reservoirs & Standpipes	(1,728,411)	(172,841)	(259,262)	(1,296,308)	0	0	0	0	45
343	Trans. & Dist. Mains	(5,154,964)	(687,157)	(1,030,993)	(3,436,814)	0	0	0	0	44
345	Services	(2,737,635)	0	0	0	0	0	(2,737,635)	0	25
346	Meters	(1,597,501)	0	0	0	0	(1,597,501)	0	0	24
347	Meter Installations	(172,014)	0	0	0	0	(172,014)	0	0	24
348	Hydrants	(806,410)	0	0	0	0	0	0	(806,410)	26
395	Laboratory Equipment	(36,859)	(36,859)	0	0	0	0	0	0	20
390	Structures and Improvements	(50,209)	(6,351)	(9,500)	(25,250)	0	(1,511)	(5,202)	(2,395)	29
391	Office Furniture & Equipment	(1,705,930)	(215,800)	(322,762)	(857,912)	0	(51,348)	(176,734)	(81,374)	29
392	Transportation Equipment	(1,598,846)	(202,254)	(302,502)	(804,060)	0	(48,125)	(165,640)	(76,265)	29
394	Tools, Shop, and Garage Equip.	(289,505)	(36,622)	(54,774)	(145,592)	0	(8,714)	(29,993)	(13,810)	29
396	Power Operated Equipment	(285,727)	(36,144)	(54,060)	(143,692)	0	(8,600)	(29,601)	(13,630)	29
397	Communication Equipment	(227,808)	(28,818)	(43,101)	(114,565)	0	(6,857)	(23,601)	(10,866)	29
398	Other Tangible Equipment	(261,481)	(33,077)	(49,472)	(131,499)	0	(7,871)	(27,089)	(12,473)	29
	Total Pro Forma Depr. Reserve	(\$23,928,171)	(\$2,937,216)	(\$4,348,632)	(\$10,527,064)	\$0	(\$1,902,541)	(\$3,195,495)	(\$1,017,223)	
	Total Depreciation Reserve %	100.00 %	12.28 %	18.17 %	43.99 %	0.00 %	7.95 %	13.36 %	4.25 %	
	Depreciated Plant	\$149,605,524	\$19,017,246	\$28,477,439	\$76,750,269	\$0	\$3,317,878	\$14,788,596	\$7,254,097	
	(Percent Code 27)	100.00 %	12.71 %	19.03 %	51.3 %	0.00 %	2.22 %	9.89 %	4.85 %	

**Tidewater Utilities, Inc.**  
Test Period Ending June 30, 2014  
Allocation of Pro Forma Rate Base

Acct. No.	Description	Total Cost	Base Cost	Extra Cap Max Day	Extra Cap Max Hour	Customer Commercial	Customer Meters	Customer Services	Fire Hydrants	Allocation Code
<b>Rate Base Additions</b>										
	Materials and Supplies	\$130,758	\$16,541	\$24,739	\$65,758	\$0	\$3,936	\$13,547	\$6,237	29
	Cash Working Capital	3,098,480	578,176	593,669	1,128,776	437,815	206,049	111,855	42,140	46
	Deferred FIT	(7,907,296)	(1,000,273)	(1,496,060)	(3,976,579)	0	(238,010)	(819,196)	(377,178)	29
	<b>Total Additions</b>	<b>(\$4,678,058)</b>	<b>(\$405,556)</b>	<b>(\$877,652)</b>	<b>(\$2,782,045)</b>	<b>\$437,815</b>	<b>(\$28,025)</b>	<b>(\$693,794)</b>	<b>(\$328,801)</b>	
<b>Rate Base Deductions</b>										
	<b>CAC &amp; CIAC:</b>									
314	Wells & Springs	(\$53,532)	(\$21,413)	(\$32,119)	\$0	\$0	\$0	\$0	\$0	21
321	Structures and Improvements	(5,057)	(674)	(1,011)	(3,372)	0	0	0	0	41
332	Water Treatment Eq.	(60,200)	(24,080)	(36,120)	0	0	0	0	0	21
342	Dist. Reservoirs & Standpipes	(31,184)	(3,118)	(4,678)	(23,388)	0	0	0	0	45
343	Trans. & Dist. Mains	(41,663,460)	(5,553,739)	(8,332,692)	(27,777,029)	0	0	0	0	44
345	Services	(247,487)	0	0	0	0	0	(247,487)	0	25
348	Hydrants	(2,976,911)	0	0	0	0	0	0	(2,976,911)	26
	<b>Total CAC &amp; CIAC</b>	<b>(\$45,037,831)</b>	<b>(\$5,603,024)</b>	<b>(\$8,406,620)</b>	<b>(\$27,803,789)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$247,487)</b>	<b>(\$2,976,911)</b>	
	<b>Customer Deposits</b>	<b>(294,781)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(294,781)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>
	<b>Total Deductions</b>	<b>(\$45,332,612)</b>	<b>(\$5,603,024)</b>	<b>(\$8,406,620)</b>	<b>(\$27,803,789)</b>	<b>(\$294,781)</b>	<b>\$0</b>	<b>(\$247,487)</b>	<b>(\$2,976,911)</b>	
	<b>Total Pro Forma Rate Base</b>	<b>\$99,594,854</b>	<b>\$13,008,666</b>	<b>\$19,193,167</b>	<b>\$46,164,435</b>	<b>\$143,034</b>	<b>\$3,289,853</b>	<b>\$13,847,315</b>	<b>\$3,948,385</b>	
	<b>Rate Base % (Percent Code 33)</b>	<b>99.99 %</b>	<b>13.06 %</b>	<b>19.27 %</b>	<b>46.35 %</b>	<b>0.14 %</b>	<b>3.31 %</b>	<b>13.90 %</b>	<b>3.96 %</b>	

Tidewater Utilities, Inc.

Test Period Ending June 30, 2014  
Allocation of Pro Forma Operation and Maintenance Expense

Acct. No.	Description	Total Cost	Base Cost	Extra Cap Max Day	Extra Cap Max Hour	Customer Commercial	Customer Meters	Customer Services	Fire Hydrants	Allocation Code
Pro Forma O&M Expense										
Source of Supply										
600	Oper. Super. & Eng. - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	21
600	Oper. Super. & Eng. - Other	0	0	0	0	0	0	0	0	21
601	Operation Labor	0	0	0	0	0	0	0	0	21
601	Operation Expenses	77	31	46	0	0	0	0	0	21
602	Purchased Water	139,297	55,719	83,578	0	0	0	0	0	21
603	Miscellaneous Expenses	1,500	600	900	0	0	0	0	0	21
610	Maint. Super. & Eng. - Labor	0	0	0	0	0	0	0	0	21
610	Maint. Super. & Eng. - Other	0	0	0	0	0	0	0	0	21
611	Maint. Of Structures. - Labor	0	0	0	0	0	0	0	0	21
611	Maint. Of Structures. - Other	0	0	0	0	0	0	0	0	21
614	Maint. of Wells & Sp'gs - Labor	8,714	3,486	5,228	0	0	0	0	0	21
614	Maint. of Wells & Sp'gs - Other	7,861	3,144	4,717	0	0	0	0	0	21
616	Maint. Of Supply Mains - Labor	0	0	0	0	0	0	0	0	21
616	Maint. Of Supply Mains - Other	0	0	0	0	0	0	0	0	21
Total Source of Supply		\$157,449	\$62,980	\$94,469	\$0	\$0	\$0	\$0	\$0	
Pumping										
620	Oper. Super. & Eng. - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	41
620	Oper. Super. & Eng. - Other	0	0	0	0	0	0	0	0	41
622	Power Production Labor	0	0	0	0	0	0	0	0	41
622	Power Production Expenses	157	21	31	105	0	0	0	0	41
623	Purchased Power	506,631	430,636	50,663	25,332	0	0	0	0	43
624	Pumping Labor	1,265,967	168,753	253,193	844,021	0	0	0	0	41
624	Pumping Expense	157,305	20,969	31,461	104,875	0	0	0	0	41
626	Pumping Misc. Labor	8,364	1,115	1,673	5,576	0	0	0	0	41
626	Pumping Misc. Expense	195,524	26,063	39,105	130,356	0	0	0	0	41
630	Maint. Super. & Eng. - Labor	0	0	0	0	0	0	0	0	41
630	Maint. Super. & Eng. - Other	0	0	0	0	0	0	0	0	41
631	Maint. Of Structures. - Labor	287,340	38,302	57,468	191,570	0	0	0	0	41
631	Maint. Of Structures. - Other	(14,073)	(1,876)	(2,815)	(9,382)	0	0	0	0	41
632	Maint. Of Power Prod. Eq. - Labor	9,877	1,317	1,975	6,585	0	0	0	0	41
632	Maint. Of Power Prod. Eq. - Other	29,743	3,965	5,949	19,829	0	0	0	0	41
633	Maint. Of Pumping Eq. - Labor	139,909	18,650	27,982	93,277	0	0	0	0	41
633	Maint. Of Pumping Eq. - Other	91,193	12,156	18,239	60,798	0	0	0	0	41
Total Pumping		\$2,677,937	\$720,071	\$484,924	\$1,472,942	\$0	\$0	\$0	\$0	
Water Treatment										
640	Oper. Super. & Eng. - Labor	\$2,119	\$848	\$1,271	\$0	\$0	\$0	\$0	\$0	21
640	Oper. Super. & Eng. - Other	0	0	0	0	0	0	0	0	21
641	Chemicals - Water Treatment	432,410	432,410	0	0	0	0	0	0	20
642	Treatment Exp. - Labor	332,019	132,808	199,211	0	0	0	0	0	21
642	Treatment Exp. - Other	315,583	126,233	189,350	0	0	0	0	0	21
643	Treatment Misc. Exp.	13,000	5,200	7,800	0	0	0	0	0	21
650	Maint. Super. & Eng. - Labor	0	0	0	0	0	0	0	0	21
650	Maint. Super. & Eng. - Other	0	0	0	0	0	0	0	0	21
651	Maint. Of Structures. - Labor	850	340	510	0	0	0	0	0	21
651	Maint. Of Structures. - Other	5,445	2,178	3,267	0	0	0	0	0	21
652	Maint. Of Treatment Eq. - Labor	14,540	5,816	8,724	0	0	0	0	0	21
652	Maint. Of Treatment Eq. - Other	38,100	15,240	22,860	0	0	0	0	0	21
Total Water Treatment		\$1,154,066	\$721,073	\$432,993	\$0	\$0	\$0	\$0	\$0	
Transmission and Distribution - Operation										
661	Storage Facilities Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	45
661	Storage Facilities Expense	0	0	0	0	0	0	0	0	45
662	Trans. & Dist. Labor	581,677	77,538	116,335	387,804	0	0	0	0	44
662	Trans. & Dist. Expenses	15,211	2,028	3,042	10,141	0	0	0	0	44
663	Meter Labor	9,534	0	0	0	0	9,534	0	0	24
663	Meter Expenses	27,447	0	0	0	0	27,447	0	0	24
Subtotal T & D Operation		\$633,869	\$79,566	\$119,377	\$397,945	\$0	\$36,981	\$0	\$0	
Subtotal T & D Operation % (Percent Code 37)		100.00 %	12.55 %	18.83 %	62.78 %	0.00 %	5.84 %	0.00 %	0.00 %	
660	Oper. Super. & Eng. - Labor	\$81,251	\$10,197	\$15,300	\$51,009	\$0	\$4,745	\$0	\$0	37
660	Oper. Super. & Eng. - Other	18,382	2,307	3,461	11,540	0	1,074	0	0	37
665	Misc. T&D Labor	763	96	144	478	0	45	0	0	37
665	Misc. T&D Expense	0	0	0	0	0	0	0	0	37
Total T & D Operation		\$734,265	\$92,166	\$138,282	\$460,972	\$0	\$42,845	\$0	\$0	
Total T & D Operation %		100.00 %	12.55 %	18.83 %	62.78 %	0.00 %	5.84 %	0.00 %	0.00 %	

Tidewater Utilities, Inc.

Test Period Ending June 30, 2014  
Allocation of Pro Forma Operation and Maintenance Expense

Acct. No.	Description	Total Cost	Base Cost	Extra Cap Max Day	Extra Cap Max Hour	Customer Commercial	Customer Meters	Customer Services	Fire Hydrants	Allocation Code
Pro Forma O&M Expense (continued)										
Transmission and Distribution - Maintenance										
671	Maint. Of Structures - Labor	\$1,455	\$194	\$291	\$970	\$0	\$0	\$0	\$0	44
671	Maint. Of Structures - Other	644	86	129	429	0	0	0	0	44
672	Maint. Of Dist. Res. & S.P. - Labor	855	86	128	641	0	0	0	0	45
672	Maint. Of Dist. Res. & S.P. - Other	14,521	1,452	2,178	10,891	0	0	0	0	45
673	Maint. Of Mains - Labor	45,691	6,091	9,138	30,462	0	0	0	0	44
673	Maint. Of Mains - Other	52,238	6,963	10,448	34,827	0	0	0	0	44
675	Maint. Of Services - Labor	88,197	0	0	0	0	0	88,197	0	25
675	Maint. Of Services - Other	90,585	0	0	0	0	0	90,585	0	25
676	Maint. Of Meters - Labor	0	0	0	0	0	0	0	0	24
676	Maint. Of Meters - Other	0	0	0	0	0	0	0	0	24
677	Maint. Of Hydrants - Labor	47,464	0	0	0	0	0	0	47,464	26
677	Maint. Of Hydrants - Other	15,942	0	0	0	0	0	0	15,942	26
	Subtotal T & D Maintenance	\$357,592	\$14,872	\$22,312	\$78,220	\$0	\$0	\$178,782	\$63,406	
	Subtotal T & D Maintenance % (Percent Code 38)	100.00 %	4.16 %	6.24 %	21.87 %	0.00 %	0.00 %	50.00 %	17.73 %	
670	Maint. Super. & Eng. - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	38
670	Maint. Super. & Eng. - Other	76,870	3,198	4,797	16,811	0	0	38,435	13,629	38
678	Misc. Maint. Expense	7,771	323	485	1,700	0	0	3,886	1,377	38
	Total T & D Maintenance	\$442,233	\$18,393	\$27,594	\$96,731	\$0	\$0	\$221,103	\$78,412	
	Total T & D Maintenance %	100.00 %	4.16 %	6.24 %	21.87 %	0.00 %	0.00 %	50.00 %	17.73 %	
	Total Trans. and Dist. O&M	\$1,176,498	\$110,559	\$165,876	\$557,703	\$0	\$42,845	\$221,103	\$78,412	
	Total Trans. and Dist. O&M %	100.00 %	9.40 %	14.10 %	47.40 %	0.00 %	3.64 %	18.79 %	6.67 %	
Customer Accounting										
901	Cust. Acctg. - Supervision - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	23
901	Cust. Acctg. - Supervision - Other	96,258	0	0	0	96,258	0	0	0	23
902	Cust. Acctg. - Meter Reading Labor	284,670	0	0	0	0	284,670	0	0	24
902	Cust. Acctg. - Meter Reading Exp.	41,856	0	0	0	0	41,856	0	0	24
903	Cust. Acctg. - Collection Labor	0	0	0	0	0	0	0	0	23
903	Cust. Acctg. - Collection Expense	528,712	0	0	0	528,712	0	0	0	23
904	Uncollectibles	357,505	0	0	0	357,505	0	0	0	23
	Total Customer Accounting	\$1,309,001	\$0	\$0	\$0	\$982,475	\$326,526	\$0	\$0	
	Subtotal, Operation & Maintenance Without Power, Chemicals, & Purchased Water	\$5,396,613	\$695,918	\$1,044,021	\$2,005,313	\$982,475	\$369,371	\$221,103	\$78,412	
	Subtotal O&M % (Percent Code 47)	100.00 %	12.90 %	19.35 %	37.16 %	18.20 %	6.84 %	4.10 %	1.45 %	
Administrative and General										
920	A & G Salaries	\$1,040,620	\$134,240	\$201,360	\$386,694	\$189,393	\$71,178	\$42,665	\$15,090	47
920	A & G Expenses	153,470	19,798	29,696	57,029	27,932	10,497	6,292	2,226	47
921	Office Supplies and Other Exp.	613,692	79,166	118,749	228,048	111,692	41,977	25,161	8,899	47
923	Outside Services	1,899,204	244,997	367,496	705,744	345,655	129,906	77,867	27,539	47
928	Regulatory Commission Expense	326,129	42,071	63,106	121,190	59,355	22,307	13,371	4,729	47
930	A & G Miscellaneous Expense	67,097	8,656	12,983	24,933	12,212	4,589	2,751	973	47
931	Rents	357,504	46,118	69,177	132,848	65,066	24,453	14,658	5,184	47
932	Maint. of General Plant - Labor	16,464	2,124	3,186	6,118	2,996	1,126	675	239	47
932	Maint. of General Plant - Other	94,926	12,245	18,368	35,275	17,277	6,493	3,892	1,376	47
924	Property Insurance	60,927	7,744	11,594	31,256	0	1,353	6,026	2,954	27
925	Liability and Other Insurance	239,531	30,899	46,349	89,010	43,595	16,384	9,821	3,473	47
925	Workers Compensation	157,651	22,229	33,359	74,064	7,110	13,716	4,856	2,317	48
926	Employee Pensions & Ben. - Labor	0	0	0	0	0	0	0	0	48
926	Employee Pensions & Ben. - Other	2,563,917	361,512	542,525	1,204,528	115,633	223,061	78,969	37,689	48
	Total Admin. and General	\$7,591,132	\$1,011,799	\$1,517,948	\$3,096,737	\$997,916	\$567,040	\$287,004	\$112,688	
	Interest on Customer Deposits	9,187	0	0	0	9,187	0	0	0	23
	Total Pro Forma O&M Expense	\$14,075,270	\$2,626,482	\$2,696,210	\$5,127,382	\$1,989,578	\$936,411	\$508,107	\$191,100	
	Total Pro Forma O&M Expense % (Percent Code 46)	100.00 %	18.66 %	19.16 %	36.43 %	14.13 %	6.65 %	3.61 %	1.36 %	
	Allocation of ERP	789,426	147,307	151,254	287,588	111,546	52,497	28,498	10,736	46
	Total Pro Forma O&M Expense w/ ERP	\$14,864,696	\$2,773,789	\$2,847,464	\$5,414,970	\$2,101,124	\$988,908	\$536,605	\$201,836	
	Total Labor Expense	\$4,268,340	\$602,001	\$903,117	\$2,005,205	\$192,389	\$371,298	\$131,537	\$62,793	
	Total Labor Expense %	100.00 %	14.10 %	21.16 %	46.98 %	4.51 %	8.70 %	3.08 %	1.47 %	

**Tidewater Utilities, Inc.**  
Test Period Ending June 30, 2014  
Allocation of Pro Forma Depreciation Expense

Acct. No.	Description	Total Cost	Base Cost	Extra Cap Max Day	Extra Cap Max Hour	Customer Commercial	Customer Meters	Customer Services	Fire Hydrants	Allocation Code
Pro Forma Depreciation Expense										
314	Wells & Springs	\$93,697	\$37,479	\$56,218	\$0	\$0	\$0	\$0	\$0	21
316	Supply Mains	353	141	212	0	0	0	0	0	21
321	Structures and Improvements	272,814	36,366	54,563	181,885	0	0	0	0	41
323	Other Power Prod. Equip.	21,492	2,865	4,298	14,329	0	0	0	0	41
325	Electric Pumping Equipment	569,640	75,933	113,928	379,779	0	0	0	0	41
326	Diesel Pumping Equipment	162	22	32	108	0	0	0	0	41
331	Structures and Improvements	7,747	3,099	4,648	0	0	0	0	0	21
332	Water Treatment Eq.	217,561	87,024	130,537	0	0	0	0	0	21
342	Dist. Reservoirs & Standpipes	213,257	21,326	31,989	159,942	0	0	0	0	45
343	Trans. & Dist. Mains	589,404	78,568	117,881	392,955	0	0	0	0	44
345	Services	359,540	0	0	0	0	0	359,540	0	25
346	Meters	210,847	0	0	0	0	210,847	0	0	24
347	Meter Installations	15,380	0	0	0	0	15,380	0	0	24
348	Hydrants	104,655	0	0	0	0	0	0	104,655	26
395	Laboratory Equipment	4,822	4,822	0	0	0	0	0	0	20
390	Structures and Improvements	6,176	781	1,168	3,106	0	186	640	295	29
391	Office Furniture & Equipment	359,212	45,440	67,963	180,648	0	10,812	37,214	17,135	29
392	Transportation Equipment	284,313	35,966	53,792	142,981	0	8,558	29,455	13,561	29
394	Tools, Shop, and Garage Equip.	48,498	6,135	9,176	24,390	0	1,460	5,024	2,313	29
396	Power Operated Equipment	28,524	3,608	5,397	14,345	0	859	2,955	1,360	29
397	Communication Equipment	33,544	4,243	6,347	16,869	0	1,010	3,475	1,600	29
398	Other Tangible Equipment	31,175	3,944	5,898	15,678	0	938	3,230	1,487	29
	Pro Forma Depreciation Exp.	\$3,472,813	\$447,762	\$664,047	\$1,527,015	\$0	\$250,050	\$441,533	\$142,406	
391	Allocation of ERP	0	0	0	0	0	0	0	0	29
	Pro Forma Depr. Exp. w/ ERP	\$3,472,813	\$447,762	\$664,047	\$1,527,015	\$0	\$250,050	\$441,533	\$142,406	
	Depreciation Exp. %	100.00 %	12.89 %	19.12 %	43.97 %	0.00 %	7.20 %	12.72 %	4.10 %	

Exhibit No. T-8  
Schedule 4

Tidewater Utilities, Inc.  
Test Period Ending June 30, 2014  
Allocation of Pro Forma Revenue Requirement

Description	Total Cost	Base Cost	Extra Cap Max Day	Extra Cap Max Hour	Customer Commercial	Customer Meters	Customer Services	Fire Hydrants	Allocation Code
Pro Forma Revenue Requirement									
Operation & Maintenance Expenses	\$14,864,696	\$2,773,789	\$2,847,464	\$5,414,970	\$2,101,124	\$988,908	\$536,605	\$201,836	
Depreciation & Amortization Expenses	3,472,813	447,762	664,047	1,527,015	0	250,050	441,533	142,406	
Taxes Other Than Income Taxes									48
Payroll Taxes	377,294	53,198	79,835	177,253	17,016	32,825	11,621	5,546	27
Real Estate Taxes	282,906	35,957	53,837	145,131	0	6,281	27,979	13,721	33
Other Taxes	1,570	205	303	728	2	52	218	62	33
PSC Assessment	92,937	12,138	17,909	43,076	130	3,076	12,918	3,690	
Total Operating Expenses Before Income Taxes	\$19,092,216	\$3,323,049	\$3,663,395	\$7,308,173	\$2,118,272	\$1,281,192	\$1,030,874	\$367,261	33
State Income Taxes	742,378	96,955	143,056	344,092	1,039	24,573	103,191	29,472	33
Federal Income Taxes	2,648,838	345,938	510,431	1,227,736	3,708	87,677	368,188	105,160	33
Utility Operating Income	\$8,495,441	\$1,109,505	\$1,637,071	\$3,937,637	\$11,894	\$281,199	\$1,180,866	\$337,269	
Total Revenue Requirement	\$30,978,874	\$4,875,447	\$5,953,953	\$12,817,638	\$2,134,913	\$1,674,641	\$2,683,119	\$839,162	
Total Revenue Requirement %	100.00 %	15.73 %	19.22 %	41.38 %	6.89 %	5.41 %	8.66 %	2.71 %	
Less Contract Sales	(1,449,693)	(228,037)	(278,631)	(599,883)	(99,884)	(78,428)	(125,543)	(39,287)	
Less Connection Fees	(1,771,520)	(278,660)	(340,486)	(733,055)	(122,058)	(95,839)	(153,414)	(48,008)	
Less Other Operating Revenues	(346,975)	(54,579)	(66,689)	(143,578)	(23,907)	(18,771)	(30,048)	(9,403)	
Net Revenue Required From Rates	\$27,410,686	\$4,314,171	\$5,268,147	\$11,341,122	\$1,889,064	\$1,481,603	\$2,374,114	\$742,464	
Net Revenue Requirement %	100.00 %	15.74 %	19.22 %	41.37 %	6.89 %	5.41 %	8.66 %	2.71 %	

TIDEWATER UTILITIES, INC.  
Explanation of Factors Used in the Allocation to Cost Functions

<u>Allocation Code</u>	<u>Description</u>
20	This code allocates items 100 percent to Base Cost. Base Costs are costs which tend to vary with the quantity of water used and do not contain elements necessary to meet variations in demand.
21	This code allocates items to Base Cost and Extra Capacity Cost - Maximum Day in accordance with the ratio of the average annual system production per day to the maximum daily system production. Extra capacity costs are those costs associated with meeting rate of use requirements in excess of the average.
22	This code allocates items to Base Cost and Extra Capacity Cost - Maximum Hour in accordance with the ratio of the average annual system delivery per day to the maximum hourly system delivery.
23	This code allocates items 100 percent to Customer Cost - Commercial. Costs allocated by this code are commercial costs associated with serving customers irrespective of the amount of water used or the maximum demand. They include billing, customer accounting, and collection expenses.
24	This code allocates items 100 percent to Customer Cost - Meters. Items allocated by this code are associated with the maintenance and capital charges for customer meters.
25	This code allocates items 100 percent to Customer Cost - Services. Items allocated by this code are associated with the maintenance and capital charges for customer water services.
26	This code allocates items 100 percent to Fire Hydrant Cost.
27	This code allocates items to the Cost Functions in accordance with the composite allocation of the depreciated cost of plant in service.
29	This code allocates items to the Cost Functions in accordance with the composite allocation of the original cost of non-general utility plant. It is used to allocate general plant items.

TIDEWATER UTILITIES, INC.  
Explanation of Factors Used in the Allocation to Cost Functions

<u>Allocation Code</u>	<u>Description</u>
33	This code allocates items to the Cost Functions in accordance with the composite allocation of all rate base items.
37	This code allocates items to the Cost Functions in accordance with the composite allocation of transmission and distribution operation expenses.
38	This code allocates items to the Cost Functions in accordance with the composite allocation of transmission and distribution maintenance expenses.
41	This code allocates items to Base Cost, Extra Capacity Cost - Maximum Day, and Extra Capacity Cost - Maximum Hour to recognize the pumping requirements of the system.
43	This code is used to allocate purchased power expenses to Base Cost, Extra-Capacity Cost - Maximum Day, and Extra Capacity Cost - Maximum Hour. It gives recognition to the demand element in purchased power costs.
44	This code allocates transmission and distribution mains costs to Base Cost, Extra Capacity Cost - Maximum Day, and Extra Capacity Cost - Maximum Hour functions.
45	This code allocates distribution storage costs to Base Cost, Extra Capacity Cost - Maximum Day, and Extra Capacity Cost - Maximum Hour.
46	This code allocates items to the Cost Functions in accordance with the composite allocation of the total pro forma operation and maintenance expenses.
47	This code allocates certain administrative and general expenses based on the composite allocation of previously allocated functional expenses.
48	This code allocates items to the Cost Functions in accordance with the composite allocation of the total labor expenses

Tidewater Utilities, Inc.  
Summary of Functional Cost Allocation Factors

Allocation Code	Description	Base Cost	Extra Cap Max Day	Extra Cap Max Hour	Customer Commercial	Customer Meters	Customer Services	Fire Hydrants	Check Total
20	Base Cost	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %
21	Base/Ex C - Max Day	40.00 %	60.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %
22	Base/Ex C - Max Hour	13.33 %	0.00 %	86.67 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %
23	Commercial	0.00 %	0.00 %	0.00 %	100.00 %	0.00 %	0.00 %	0.00 %	100.00 %
24	Meters	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %	0.00 %	0.00 %	100.00 %
25	Services	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %	0.00 %	100.00 %
26	Fire Hydrants	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %	100.00 %
27	Depreciated Plant	12.71 %	19.03 %	51.30 %	0.00 %	2.22 %	9.89 %	4.85 %	100.00 %
29	Total Plant in Service	12.65 %	18.92 %	50.29 %	0.00 %	3.01 %	10.36 %	4.77 %	100.00 %
33	Total Rate Base	13.06 %	19.27 %	46.35 %	0.14 %	3.31 %	13.90 %	3.96 %	99.99 %
37	T&D Operation	12.55 %	18.83 %	62.78 %	0.00 %	5.84 %	0.00 %	0.00 %	100.00 %
38	T&D Maintenance	4.16 %	6.24 %	21.87 %	0.00 %	0.00 %	50.00 %	17.73 %	100.00 %
41	Pumping	13.33 %	20.00 %	66.67 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %
43	Purchased Power	85.00 %	10.00 %	5.00 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %
44	T&D Mains	13.33 %	20.00 %	66.67 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %
45	Distribution Storage	10.00 %	15.00 %	75.00 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %
46	Total O&M Expense	18.66 %	19.16 %	36.43 %	14.13 %	6.65 %	3.61 %	1.36 %	100.00 %
47	Admin. & Gen'l Expense	12.90 %	19.35 %	37.16 %	18.20 %	6.84 %	4.10 %	1.45 %	100.00 %
48	Labor Benefits	14.10 %	21.16 %	46.98 %	4.51 %	8.70 %	3.08 %	1.47 %	100.00 %
<u>System Factors:</u>									
			Base	Max Day	Max Hour				
	Max Day - Average Day	250 %	40.00 %	60.00 %					
	Max Hour - Average Day	750 %	13.33 %		86.67 %				
	Pumping and T&D Mains	750 %	13.33 %	20.00 %	66.67 %				

**Tidewater Utilities, Inc.**

**Customer Class Allocation  
Pro Forma Net Revenue Requirement**

	Total	General Water	Public Fire	Private Fire	Allocation Code
Base Cost	\$4,314,171	\$4,271,029	\$37,102	\$6,040	60
Maximum Day	5,268,147	5,171,739	80,603	15,804	61
Maximum Hour	11,341,122	10,461,051	736,039	144,032	62
Bills/Comm'l	1,889,064	1,870,173	0	18,891	63
Meters	1,481,603	1,481,603	0	0	64
Services	2,374,114	2,244,250	0	129,864	65
Hydrants	742,464.00	0	742,464.00	0	70
Total	\$27,410,685	\$25,499,845	\$1,596,208	\$314,631	
	100.00 %	93.03 %	5.82 %	1.15 %	

TIDEWATER UTILITIES, INC.  
Explanation of Factors Used in the Allocation to Customer Groups

<u>Allocation Code</u>	<u>Description</u>
60	This code allocates Base Cost to the customer groups in accordance with the percentage of water used by each individual customer group.
61	This code allocates Extra Capacity Cost - Maximum Day to the customer groups in accordance with the ratio of the excess maximum day demand of each individual customer group to the total non-coincident excess daily demand for all customer groups.
62	This code allocates Extra Capacity Cost - Maximum Hour to the customer groups in accordance with the ratio of the excess maximum hour demand of each individual customer group to the total non-coincident excess hourly demand for all customer groups.
63	This code allocates Customer Cost - Commercial to the customer groups in accordance with the percentage of bills issued to each individual customer group.
64	This code allocates Customer Cost - Meters to the customer groups in accordance with the ratio of the number of equivalent meters in each individual customer group to the total number of equivalent meters for all customer groups.
65	This code allocates Customer Cost - Services to the customer groups on a basis similar to that for the allocation of Customer Cost - Meters.
70	This code allocates items entirely to the public fire service class.

**Tidewater Utilities, Inc.**

**Summary of Customer Class Allocation Factors**

Allocation Code	Description	General Water	Public Fire	Private Fire	Check Total
60	Base Cost	99.00 %	0.86 %	0.14 %	100.00 %
61	Maximum Day	98.17 %	1.53 %	0.30 %	100.00 %
62	Maximum Hour	92.24 %	6.49 %	1.27 %	100.00 %
63	Bills/Comm'l	99.00 %	0.00 %	1.00 %	100.00 %
64	Meters	100.00 %	0.00 %	0.00 %	100.00 %
65	Services	94.53 %	0.00 %	5.47 %	100.00 %
70	Hydrants	0.00 %	100.00 %	0.00 %	100.00 %

**Tidewater Utilities, Inc.**

Customer Class Allocation Factors

Customer Class	Annual Consumption			Maximum Day			Maximum Hour			Customer Costs		Meters		Services			
	(1) Thousand Gallons	(2) MGD	(3) %	(4) % of AvDay	(5) Amount MGD	(6) Excess (5)-(2)	(7) %	(8) % of AvDay	(9) Amount MGD	(10) Excess (9)-(5)	(11) %	(12) Bills	(13) %	(14) Equiv Units	(15) %	(16) Equiv Units	(17) %
General Water	1,719,104	4.710	99.00	250	11.775	7.065	98.17	750	35.325	23.550	92.24	142,388	99.00	43,464.5	100.00	39,794.1	94.53
Public Fire	14,908	0.041	0.86		0.151	0.110	1.53		1.808	1.657	6.49	0	0.00	0.0	0.00	0.0	0.00
Private Fire	2,457	0.007	0.14		0.029	0.022	0.30		0.352	0.323	1.27	1,444	1.00	0.0	0.00	2,300.8	5.47
Grand Total	1,736,469	4.758	100.00		11.955	7.197	100.00		37.485	25.530	100.00	143,832	100.00	43,464.5	100.00	42,094.9	100.00
Allocation Code			60				61				62		63		64		65

Fire Requirements: 1.0% of total water consumption  
Fire Demand 1,500 gpm for 2 hours  
Fire Requirements split 85.85% Public and 14.15% Private

**Tidewater Utilities, Inc.**

**Development of Equivalent Meters and Equivalent Services**

General Water Service:

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Eq. Meter Ratio</u>	<u>Equiv. Meters</u>	<u>Eq. Svc Ratio</u>	<u>Equiv. Services</u>	<u>Number of Bills</u>
5/8"	32,140	1.0	32,140.0	1.0	32,140.0	128,560
3/4"	90	1.5	135.0	1.3	117.0	360
1"	2,921	2.5	7,302.5	2.0	5,842.0	11,684
1 1/2"	95	5.0	475.0	2.7	256.5	380
2"	309	8.0	2,472.0	4.0	1,236.0	1,236
3"	32	15.0	480.0	4.0	128.0	128
4"	4	25.0	100.0	5.3	21.2	16
6"	4	50.0	200.0	8.0	32.0	16
8"	2	80.0	160.0	10.7	21.4	8
Total	35,597		43,464.5		39,794.1	142,388

Private Fire Service:

<u>Service Size</u>	<u>Number of Services</u>	<u>Eq. Meter Ratio</u>	<u>Equiv. Meters</u>	<u>Eq. Svc Ratio</u>	<u>Equiv. Services</u>	<u>Number of Bills</u>
1"	1			1.3	1.3	4
2"	54			2.7	145.8	216
3"	0			4.0	0.0	
4"	132			5.3	699.6	528
6"	151			8.0	1,208.0	604
8"	23			10.7	246.1	92
Total	361				2,300.8	1,444

Grand Totals	35,958		43,464.5		42,094.9	143,832
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# **Tidewater Utilities, Inc.**

## **Fire Service Capacity Units**

	<u>Number</u>	<u>Capacity Ratio</u>	<u>Capacity Units</u>	<u>%</u>
Public Hydrants	3,114	1.000	3,114.000	85.85
Private Services				
1"	1	0.056	0.056	
2"	54	0.222	11.988	
3"	0	0.500	0.000	
4"	132	0.888	117.216	
6"	151	2.000	302.000	
8"	23	3.556	81.788	
Total Private	361		513.048	14.15
Grand Total	3,475		3,627.048	100.00

### Note:

Capacity ratios are based on the cross-sectional area of public hydrant branches and private fire service connections. The cross-sectional area of a 6" branch is taken as unity. All hydrant branches are considered as 6". Private fire service connections have been given a weighting of twice the public hydrant branches based on the relative fire demands of commercial/industrial/institutional areas as compared to the relative fire demands of residential areas.

Capacity costs include the following functional costs:

Base Costs, Extra Capacity Costs - Maximum Day, and  
Extra Capacity Costs - Maximum Hour.

# **Tidewater Utilities, Inc.**

## **Development of Facilities Charges**

### General Water Functional Costs:

Bills/Commercial	\$1,870,173
Meters	1,481,603
Services	2,244,250
 Total	 \$5,596,026
 Add as measure of capacity: 78% of GWS Max Day Costs 5,171,739 x 0.78 =	   4,033,956
 Total for Facilities Charge	 \$9,629,982
 Revenues From Present Facilities Charges	 \$8,323,386
 Increase Required (\$)	 \$1,306,596
Increase Required (%)	15.70 %

### Quarterly Facilities Charges:

<u>Meter Size</u>	<u>Present Charge</u>	<u>Proposed Charge</u>
5/8"	\$52.86	\$61.16
3/4"	52.86	61.16
1"	88.11	101.94
1 1/2"	158.64	183.54
2"	246.75	285.48
3"	475.89	550.59
4"	740.28	856.49
6"	1,445.28	1,672.16
8"	2,256.06	2,610.21

**Tidewater Utilities, Inc.**

**Development of Private Protection Fire Charges**

Private Fire (Pro Forma Net Revenue Requirement)	\$314,631 <sup>(1)</sup>
Private Fire (at Present Rates)	976,304
Difference	<u>(\$661,673)</u>
Reduction Factor	x 1/3
Proposed Reduction (\$)	<u>(\$220,558)</u>
Proposed Reduction (%)	-22.59%

Private Fire Protection Charges:

<u>Meter Size</u>	<u>Present Charge</u>	<u>Proposed Charge</u>
1"	\$28.67	\$22.19
2"	\$100.35	77.68
4"	\$425.28	329.21
6"	\$950.90	736.09
8"	\$1,691.55	1,309.43

Notes:

(1) Refer to Schedule 6.

**Tidewater Utilities, Inc.**

**Revenues Under Present and Proposed Rates**

General Metered Service:  
Facilities Charges:

<u>Meter Size</u>	<u>Number of Bills</u>	<u>Present Tariff Rate</u>	<u>Present Revenue</u>	<u>Proposed Tariff Rate</u>	<u>Proposed Revenue</u>	<u>Increase</u>
5/8"	128,560	\$52.86	\$6,795,682	\$61.16	\$7,862,729.60	15.702 %
3/4"	360	52.86	19,029.60	61.16	22,017.60	15.702 %
1"	11,684	88.11	1,029,477.24	101.94	1,191,066.96	15.696 %
1 1/2"	380	158.64	60,283.20	183.54	69,745.20	15.696 %
2"	1,236	246.75	304,983.00	285.48	352,853.28	15.696 %
3"	128	475.89	60,913.92	550.59	70,475.52	15.697 %
4"	16	740.28	11,844.48	856.49	13,703.84	15.698 %
6"	16	1,445.28	23,124.48	1,672.16	26,754.56	15.698 %
8"	8	2,256.06	18,048.48	2,610.21	20,881.68	15.698 %
Total	142,388		\$8,323,386.00		\$9,630,228.24	15.701 %

Water Usage Charges:

Residential Customers:

0 - 5 Thousand Gallons	520,819	\$7.9469	\$4,138,896.51	\$9.1389	\$4,759,712.76	15.000 %
5.1 - 20 Thousand Gallons	633,807	8.0493	5,101,702.69	9.3790	5,944,475.85	16.519 %
All Over 20 Thousand Gallons	267,178	8.1517	2,177,954.90	9.6254	2,571,695.12	18.078 %
Total Residential	1,421,804		\$11,418,554.10		\$13,275,883.73	16.266 %

Apartments & Commercial:

All Consumption	164,917	\$8.1519	\$1,344,386.89	\$9.3709	\$1,545,420.72	14.954 %
Total Water Usage Charges			\$12,762,940.99		\$14,821,304.45	16.128 %
Total General Metered Service			\$21,086,326.99		\$24,451,532.69	15.959 %

Public Fire Protection:

<u>Number of Bills</u>	<u>Present Tariff Rate</u>	<u>Present Revenue</u>	<u>Proposed Tariff Rate</u>	<u>Proposed Revenue</u>	<u>Increase</u>
123,508	\$15.09	\$1,863,735.72	\$17.84	\$2,203,382.72	18.255 %

**Tidewater Utilities, Inc.**

**Revenues Under Present and Proposed Rates**

Private Fire Protection:

<u>Service Size</u>	<u>Number of Bills</u>	<u>Present Tariff Rate</u>	<u>Present Revenue</u>	<u>Proposed Tariff Rate</u>	<u>Proposed Revenue</u>	<u>Increase</u>
1"	4	\$28.67	\$114.68	\$22.19	\$88.76	-22.602 %
2"	216	100.35	21,675.60	77.68	16,778.88	-22.591 %
4"	528	425.28	224,547.84	329.21	173,822.88	-22.590 %
6"	604	950.90	574,343.60	736.09	444,598.36	-22.590 %
8"	92	1,691.55	155,622.60	1,309.43	120,467.56	-22.590 %
<b>Total</b>	<b>1,444</b>		<b>\$976,304.32</b>		<b>\$755,756.44</b>	<b>-22.590 %</b>

Connection Fees:

<u>Meter Size</u>	<u>Number of Bills</u>	<u>Present Tariff Rate</u>	<u>Present Revenue</u>	<u>Proposed Tariff Rate</u>	<u>Proposed Revenue</u>	<u>Increase</u>
5/8" & 3/4"	1,043	\$956.45	\$997,577.35	\$1,099.47	\$1,146,747.21	14.953 %
1"	375	1,350.98	506,617.50	1,553.00	582,375.00	14.954 %
1 1/2"	2	2,379.19	4,758.38	2,734.96	5,469.92	14.953 %
2"	1	2,690.03	2,690.03	3,092.28	3,092.28	14.953 %
3"	0	8,608.10	0.00	9,895.31	0.00	
4"	0	10,126.47	0.00	11,640.73	0.00	
6"	2	14,716.93	29,433.86	16,917.63	33,835.26	14.954 %
8"	0	22,335.03	0.00	25,674.90	0.00	
<b>Total</b>	<b>1,423</b>		<b>\$1,541,077.12</b>		<b>\$1,771,519.67</b>	<b>14.953 %</b>

Other Revenue:

	<b>\$346,975.00</b>	<b>\$346,975.00</b>	<b>0.000 %</b>
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Contract Sales

<u>Entity</u>	<u>Thousand Gallons</u>	<u>Present Rate</u>	<u>Present Revenue</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>	<u>Increase</u>
Dover AFB	87,261	\$11.8718	\$1,035,945.14	\$13.6470	\$1,190,850.87	14.953 %
So. Shores	19,598	5.4335	106,485.73	6.2460	122,409.11	14.954 %
Oceanview	25,524	4.6500	118,686.60	5.3453	136,433.44	14.953 %
<b>Total</b>	<b>132,383</b>		<b>\$1,261,117.47</b>		<b>\$1,449,693.41</b>	<b>14.953 %</b>

Grand Total Revenue \$27,075,536.62 \$30,978,859.93 14.416 %

Total Requested Revenue \$30,978,874.00

Difference (\$14.07)

Tidewater Utilities, Inc.

Comparison of Charges Under Present and Proposed Rates  
**Residential Customers**

<u>5/8" and 3/4" Meters</u>					<u>1" Meters</u>				
Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase Amount	%	Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase Amount	%
0	\$ 52.86	\$ 61.16	\$ 8.30	15.7	0	\$ 88.11	\$ 101.94	\$ 13.83	15.7
1	60.81	70.30	9.49	15.6	1	96.06	111.08	15.02	15.6
2	68.75	79.44	10.69	15.5	2	104.00	120.22	16.22	15.6
3	76.70	88.58	11.88	15.5	3	111.95	129.36	17.41	15.6
4	84.65	97.72	13.07	15.4	4	119.90	138.50	18.60	15.5
5	92.59	106.85	14.26	15.4	5	127.84	147.63	19.79	15.5
6	100.64	116.23	15.59	15.5	6	135.89	157.01	21.12	15.5
7	108.69	125.61	16.92	15.6	7	143.94	166.39	22.45	15.6
8	116.74	134.99	18.25	15.6	8	151.99	175.77	23.78	15.6
9	124.79	144.37	19.58	15.7	9	160.04	185.15	25.11	15.7
10	132.84	153.75	20.91	15.7	10	168.09	194.53	26.44	15.7
11	140.89	163.12	22.23	15.8	11	176.14	203.90	27.76	15.8
12	148.94	172.50	23.56	15.8	12	184.19	213.28	29.09	15.8
13	156.98	181.88	24.90	15.9	13	192.23	222.66	30.43	15.8
14	165.03	191.26	26.23	15.9	14	200.28	232.04	31.76	15.9
15	173.08	200.64	27.56	15.9	15	208.33	241.42	33.09	15.9
16	181.13	210.02	28.89	15.9	16	216.38	250.80	34.42	15.9
17	189.18	219.40	30.22	16.0	17	224.43	260.18	35.75	15.9
18	197.23	228.78	31.55	16.0	18	232.48	269.56	37.08	15.9
19	205.28	238.16	32.88	16.0	19	240.53	278.94	38.41	16.0
20	213.33	247.54	34.21	16.0	20	248.58	288.32	39.74	16.0
21	221.48	257.17	35.69	16.1	21	256.73	297.95	41.22	16.1
22	229.63	266.79	37.16	16.2	22	264.88	307.57	42.69	16.1
23	237.79	276.42	38.63	16.2	23	273.04	317.20	44.16	16.2
24	245.94	286.04	40.10	16.3	24	281.19	326.82	45.63	16.2
25	254.09	295.67	41.58	16.4	25	289.34	336.45	47.11	16.3
26	262.24	305.29	43.05	16.4	26	297.49	346.07	48.58	16.3
27	270.39	314.92	44.53	16.5	27	305.64	355.70	50.06	16.4
28	278.54	324.54	46.00	16.5	28	313.79	365.32	51.53	16.4
29	286.70	334.17	47.47	16.6	29	321.95	374.95	53.00	16.5
30	294.85	343.79	48.94	16.6	30	330.10	384.57	54.47	16.5
31	303.00	353.42	50.42	16.6	31	338.25	394.20	55.95	16.5
32	311.15	363.04	51.89	16.7	32	346.40	403.82	57.42	16.6
33	319.30	372.67	53.37	16.7	33	354.55	413.45	58.90	16.6
34	327.45	382.30	54.85	16.7	34	362.70	423.08	60.38	16.6
35	335.61	391.92	56.31	16.8	35	370.86	432.70	61.84	16.7
36	343.76	401.55	57.79	16.8	36	379.01	442.33	63.32	16.7
37	351.91	411.17	59.26	16.8	37	387.16	451.95	64.79	16.7
38	360.06	420.80	60.74	16.9	38	395.31	461.58	66.27	16.8
39	368.21	430.42	62.21	16.9	39	403.46	471.20	67.74	16.8
40	376.36	440.05	63.69	16.9	40	411.61	480.83	69.22	16.8
41	384.52	449.67	65.15	16.9	41	419.77	490.45	70.68	16.8
42	392.67	459.30	66.63	17.0	42	427.92	500.08	72.16	16.9
43	400.82	468.92	68.10	17.0	43	436.07	509.70	73.63	16.9
44	408.97	478.55	69.58	17.0	44	444.22	519.33	75.11	16.9
45	417.12	488.18	71.06	17.0	45	452.37	528.96	76.59	16.9
46	425.27	497.80	72.53	17.1	46	460.52	538.58	78.06	16.9
47	433.43	507.43	74.00	17.1	47	468.68	548.21	79.53	17.0
48	441.58	517.05	75.47	17.1	48	476.83	557.83	81.00	17.0
49	449.73	526.68	76.95	17.1	49	484.98	567.46	82.48	17.0
50	457.88	536.30	78.42	17.1	50	493.13	577.08	83.95	17.0
51	466.03	545.93	79.90	17.1	55	533.89	625.21	91.32	17.1
52	474.18	555.55	81.37	17.2	60	574.65	673.34	98.69	17.2
53	482.34	565.18	82.84	17.2	65	615.41	721.46	106.05	17.2
54	490.49	574.80	84.31	17.2	70	656.17	769.59	113.42	17.3
55	498.64	584.43	85.79	17.2	75	696.92	817.72	120.80	17.3
56	506.79	594.05	87.26	17.2	80	737.68	865.84	128.16	17.4
57	514.94	603.68	88.74	17.2	85	778.44	913.97	135.53	17.4
58	523.09	613.31	90.22	17.2	90	819.20	962.10	142.90	17.4
59	531.25	622.93	91.68	17.3	95	859.96	1,010.23	150.27	17.5
60	539.40	632.56	93.16	17.3	100	900.72	1,058.35	157.63	17.5
70	620.92	728.81	107.89	17.4	110	982.23	1,154.61	172.38	17.5
80	702.43	825.06	122.63	17.5	120	1,063.75	1,250.86	187.11	17.6
90	783.95	921.32	137.37	17.5	130	1,145.27	1,347.11	201.84	17.6
100	865.47	1,017.57	152.10	17.6	140	1,226.78	1,443.37	216.59	17.7

Tidewater Utilities, Inc.  
Comparison of Charges Under Present and Proposed Rates  
**Residential Customers**

1 1/2" Meters					2" Meters				
Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase		Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase	
			Amount	%				Amount	%
0	\$ 158.64	\$ 183.54	\$ 24.90	15.7	0	\$ 246.75	\$ 285.48	\$ 38.73	15.7
1	166.79	192.91	26.12	15.7	1	254.90	294.85	39.95	15.7
2	174.94	202.28	27.34	15.6	2	263.05	304.22	41.17	15.7
3	183.10	211.65	28.55	15.6	3	271.21	313.59	42.38	15.6
4	191.25	221.02	29.77	15.6	4	279.36	322.96	43.60	15.6
5	199.40	230.39	30.99	15.5	5	287.51	332.33	44.82	15.6
6	207.55	239.77	32.22	15.5	6	295.66	341.71	46.05	15.6
7	215.70	249.14	33.44	15.5	7	303.81	351.08	47.27	15.6
8	223.86	258.51	34.65	15.5	8	311.97	360.45	48.48	15.5
9	232.01	267.88	35.87	15.5	9	320.12	369.82	49.70	15.5
10	240.16	277.25	37.09	15.4	10	328.27	379.19	50.92	15.5
11	248.31	286.62	38.31	15.4	11	336.42	388.56	52.14	15.5
12	256.46	295.99	39.53	15.4	12	344.57	397.93	53.36	15.5
13	264.61	305.36	40.75	15.4	13	352.72	407.30	54.58	15.5
14	272.77	314.73	41.96	15.4	14	360.88	416.67	55.79	15.5
15	280.92	324.10	43.18	15.4	15	369.03	426.04	57.01	15.4
16	289.07	333.47	44.40	15.4	16	377.18	435.41	58.23	15.4
17	297.22	342.85	45.63	15.4	17	385.33	444.79	59.46	15.4
18	305.37	352.22	46.85	15.3	18	393.48	454.16	60.68	15.4
19	313.53	361.59	48.06	15.3	19	401.64	463.53	61.89	15.4
20	321.68	370.96	49.28	15.3	20	409.79	472.90	63.11	15.4
25	362.44	417.81	55.37	15.3	25	450.55	519.75	69.20	15.4
30	403.20	464.67	61.47	15.2	30	491.31	566.61	75.30	15.3
35	443.96	511.52	67.56	15.2	35	532.07	613.46	81.39	15.3
40	484.72	558.38	73.66	15.2	40	572.83	660.32	87.49	15.3
45	525.48	605.23	79.75	15.2	45	613.59	707.17	93.58	15.3
50	566.24	652.09	85.85	15.2	50	654.35	754.03	99.68	15.2
55	606.99	698.94	91.95	15.1	55	695.10	800.88	105.78	15.2
60	647.75	745.79	98.04	15.1	60	735.86	847.73	111.87	15.2
65	688.51	792.65	104.14	15.1	65	776.62	894.59	117.97	15.2
70	729.27	839.50	110.23	15.1	70	817.38	941.44	124.06	15.2
75	770.03	886.36	116.33	15.1	75	858.14	988.30	130.16	15.2
80	810.79	933.21	122.42	15.1	80	898.90	1,035.15	136.25	15.2
85	851.55	980.07	128.52	15.1	85	939.66	1,082.01	142.35	15.1
90	892.31	1,026.92	134.61	15.1	90	980.42	1,128.86	148.44	15.1
95	933.07	1,073.78	140.71	15.1	95	1,021.18	1,175.72	154.54	15.1
100	973.83	1,120.63	146.80	15.1	100	1,061.94	1,222.57	160.63	15.1
110	1,055.35	1,214.34	158.99	15.1	110	1,143.46	1,316.28	172.82	15.1
120	1,136.87	1,308.05	171.18	15.1	120	1,224.98	1,409.99	185.01	15.1
130	1,218.39	1,401.76	183.37	15.1	130	1,306.50	1,503.70	197.20	15.1
140	1,299.91	1,495.47	195.56	15.0	140	1,388.02	1,597.41	209.39	15.1
150	1,381.43	1,589.18	207.75	15.0	150	1,469.54	1,691.12	221.58	15.1
160	1,462.94	1,682.88	219.94	15.0	160	1,551.05	1,784.82	233.77	15.1
170	1,544.46	1,776.59	232.13	15.0	170	1,632.57	1,878.53	245.96	15.1
180	1,625.98	1,870.30	244.32	15.0	180	1,714.09	1,972.24	258.15	15.1
190	1,707.50	1,964.01	256.51	15.0	190	1,795.61	2,065.95	270.34	15.1
200	1,789.02	2,057.72	268.70	15.0	200	1,877.13	2,159.66	282.53	15.1
210	1,870.54	2,151.43	280.89	15.0	210	1,958.65	2,253.37	294.72	15.0
220	1,952.06	2,245.14	293.08	15.0	220	2,040.17	2,347.08	306.91	15.0
230	2,033.58	2,338.85	305.27	15.0	230	2,121.69	2,440.79	319.10	15.0
240	2,115.10	2,432.56	317.46	15.0	240	2,203.21	2,534.50	331.29	15.0
250	2,196.62	2,526.27	329.65	15.0	250	2,284.73	2,628.21	343.48	15.0
260	2,278.13	2,619.97	341.84	15.0	260	2,366.24	2,721.91	355.67	15.0
270	2,359.65	2,713.68	354.03	15.0	270	2,447.76	2,815.62	367.86	15.0
280	2,441.17	2,807.39	366.22	15.0	280	2,529.28	2,909.33	380.05	15.0
290	2,522.69	2,901.10	378.41	15.0	290	2,610.80	3,003.04	392.24	15.0
300	2,604.21	2,994.81	390.60	15.0	300	2,692.32	3,096.75	404.43	15.0
350	3,011.81	3,463.36	451.55	15.0	350	3,099.92	3,565.30	465.38	15.0
400	3,419.40	3,931.90	512.50	15.0	400	3,507.51	4,033.84	526.33	15.0
450	3,827.00	4,400.45	573.45	15.0	450	3,915.11	4,502.39	587.28	15.0
500	4,234.59	4,868.99	634.40	15.0	500	4,322.70	4,970.93	648.23	15.0
550	4,642.19	5,337.54	695.35	15.0	550	4,730.30	5,439.48	709.18	15.0
600	5,049.78	5,806.08	756.30	15.0	600	5,137.89	5,908.02	770.13	15.0
650	5,457.38	6,274.63	817.25	15.0	650	5,545.49	6,376.57	831.08	15.0
700	5,864.97	6,743.17	878.20	15.0	700	5,953.08	6,845.11	892.03	15.0

Tidewater Utilities, Inc.  
Comparison of Charges Under Present and Proposed Rates  
**Residential Customers**

3" Meters					4" Meters				
Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase		Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase	
			Amount	%				Amount	%
0	\$ 475.89	\$ 550.59	\$ 74.70	15.7	0	\$ 740.28	\$ 856.49	\$ 116.21	15.7
1	484.04	559.96	75.92	15.7	1	748.43	865.86	117.43	15.7
2	492.19	569.33	77.14	15.7	2	756.58	875.23	118.65	15.7
3	500.35	578.70	78.35	15.7	3	764.74	884.60	119.86	15.7
4	508.50	588.07	79.57	15.6	4	772.89	893.97	121.08	15.7
5	516.65	597.44	80.79	15.6	5	781.04	903.34	122.30	15.7
6	524.80	606.82	82.02	15.6	6	789.19	912.72	123.53	15.7
7	532.95	616.19	83.24	15.6	7	797.34	922.09	124.75	15.6
8	541.11	625.56	84.45	15.6	8	805.50	931.46	125.96	15.6
9	549.26	634.93	85.67	15.6	9	813.65	940.83	127.18	15.6
10	557.41	644.30	86.89	15.6	10	821.80	950.20	128.40	15.6
20	638.93	738.01	99.08	15.5	20	903.32	1,043.91	140.59	15.6
30	720.45	831.72	111.27	15.4	30	984.84	1,137.62	152.78	15.5
40	801.97	925.43	123.46	15.4	40	1,066.36	1,231.33	164.97	15.5
50	883.49	1,019.14	135.65	15.4	50	1,147.88	1,325.04	177.16	15.4
60	965.00	1,112.84	147.84	15.3	60	1,229.39	1,418.74	189.35	15.4
70	1,046.52	1,206.55	160.03	15.3	70	1,310.91	1,512.45	201.54	15.4
80	1,128.04	1,300.26	172.22	15.3	80	1,392.43	1,606.16	213.73	15.3
90	1,209.56	1,393.97	184.41	15.2	90	1,473.95	1,699.87	225.92	15.3
100	1,291.08	1,487.68	196.60	15.2	100	1,555.47	1,793.58	238.11	15.3
125	1,494.88	1,721.95	227.07	15.2	125	1,759.27	2,027.85	268.58	15.3
150	1,698.68	1,956.23	257.55	15.2	150	1,963.07	2,262.13	299.06	15.2
175	1,902.47	2,190.50	288.03	15.1	175	2,166.86	2,496.40	329.54	15.2
200	2,106.27	2,424.77	318.50	15.1	200	2,370.66	2,730.67	360.01	15.2
225	2,310.07	2,659.04	348.97	15.1	225	2,574.46	2,964.94	390.48	15.2
250	2,513.87	2,893.32	379.45	15.1	250	2,778.26	3,199.22	420.96	15.2
275	2,717.66	3,127.59	409.93	15.1	275	2,982.05	3,433.49	451.44	15.1
300	2,921.46	3,361.86	440.40	15.1	300	3,185.85	3,667.76	481.91	15.1
325	3,125.26	3,596.13	470.87	15.1	325	3,389.65	3,902.03	512.38	15.1
350	3,329.06	3,830.41	501.35	15.1	350	3,593.45	4,136.31	542.86	15.1
375	3,532.85	4,064.68	531.83	15.1	375	3,797.24	4,370.58	573.34	15.1
400	3,736.65	4,298.95	562.30	15.0	400	4,001.04	4,604.85	603.81	15.1
425	3,940.45	4,533.22	592.77	15.0	425	4,204.84	4,839.12	634.28	15.1
450	4,144.25	4,767.50	623.25	15.0	450	4,408.64	5,073.40	664.76	15.1
475	4,348.04	5,001.77	653.73	15.0	475	4,612.43	5,307.67	695.24	15.1
500	4,551.84	5,236.04	684.20	15.0	500	4,816.23	5,541.94	725.71	15.1
550	4,959.44	5,704.59	745.15	15.0	550	5,223.83	6,010.49	786.66	15.1
600	5,367.03	6,173.13	806.10	15.0	600	5,631.42	6,479.03	847.61	15.1
650	5,774.63	6,641.68	867.05	15.0	650	6,039.02	6,947.58	908.56	15.0
700	6,182.22	7,110.22	928.00	15.0	700	6,446.61	7,416.12	969.51	15.0
750	6,589.82	7,578.77	988.95	15.0	750	6,854.21	7,884.67	1,030.46	15.0
800	6,997.41	8,047.31	1,049.90	15.0	800	7,261.80	8,353.21	1,091.41	15.0
850	7,405.01	8,515.86	1,110.85	15.0	850	7,669.40	8,821.76	1,152.36	15.0
900	7,812.60	8,984.40	1,171.80	15.0	900	8,076.99	9,290.30	1,213.31	15.0
950	8,220.20	9,452.95	1,232.75	15.0	950	8,484.59	9,758.85	1,274.26	15.0
1000	8,627.79	9,921.49	1,293.70	15.0	1000	8,892.18	10,227.39	1,335.21	15.0
1100	9,442.98	10,858.58	1,415.60	15.0	1100	9,707.37	11,164.48	1,457.11	15.0
1200	10,258.17	11,795.67	1,537.50	15.0	1200	10,522.56	12,101.57	1,579.01	15.0
1300	11,073.36	12,732.76	1,659.40	15.0	1300	11,337.75	13,038.66	1,700.91	15.0
1400	11,888.55	13,669.85	1,781.30	15.0	1400	12,152.94	13,975.75	1,822.81	15.0
1500	12,703.74	14,606.94	1,903.20	15.0	1500	12,968.13	14,912.84	1,944.71	15.0
1600	13,518.93	15,544.03	2,025.10	15.0	1600	13,783.32	15,849.93	2,066.61	15.0
1700	14,334.12	16,481.12	2,147.00	15.0	1700	14,598.51	16,787.02	2,188.51	15.0
1800	15,149.31	17,418.21	2,268.90	15.0	1800	15,413.70	17,724.11	2,310.41	15.0
1900	15,964.50	18,355.30	2,390.80	15.0	1900	16,228.89	18,661.20	2,432.31	15.0
2000	16,779.69	19,292.39	2,512.70	15.0	2000	17,044.08	19,598.29	2,554.21	15.0
2100	17,594.88	20,229.48	2,634.60	15.0	2100	17,859.27	20,535.38	2,676.11	15.0
2200	18,410.07	21,166.57	2,756.50	15.0	2200	18,674.46	21,472.47	2,798.01	15.0
2300	19,225.26	22,103.66	2,878.40	15.0	2300	19,489.65	22,409.56	2,919.91	15.0
2400	20,040.45	23,040.75	3,000.30	15.0	2400	20,304.84	23,346.65	3,041.81	15.0
2500	20,855.64	23,977.84	3,122.20	15.0	2500	21,120.03	24,283.74	3,163.71	15.0
2600	21,670.83	24,914.93	3,244.10	15.0	2600	21,935.22	25,220.83	3,285.61	15.0
2700	22,486.02	25,852.02	3,366.00	15.0	2700	22,750.41	26,157.92	3,407.51	15.0
2800	23,301.21	26,789.11	3,487.90	15.0	2800	23,565.60	27,095.01	3,529.41	15.0
2900	24,116.40	27,726.20	3,609.80	15.0	2900	24,380.79	28,032.10	3,651.31	15.0

Tidewater Utilities, Inc.

Comparison of Charges Under Present and Proposed Rates  
*Apartment & Commercial Customers*

5/8" and 3/4" Meters					1" Meters				
Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase		Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase	
			Amount	%				Amount	%
0	\$ 52.86	\$ 61.16	\$ 8.30	15.7	0	\$ 88.11	\$ 101.94	\$ 13.83	15.7
1	61.01	70.53	9.52	15.6	1	96.26	111.31	15.05	15.6
2	69.16	79.90	10.74	15.5	2	104.41	120.68	16.27	15.6
3	77.32	89.27	11.95	15.5	3	112.57	130.05	17.48	15.5
4	85.47	98.64	13.17	15.4	4	120.72	139.42	18.70	15.5
5	93.62	108.01	14.39	15.4	5	128.87	148.79	19.92	15.5
6	101.77	117.39	15.62	15.3	6	137.02	158.17	21.15	15.4
7	109.92	126.76	16.84	15.3	7	145.17	167.54	22.37	15.4
8	118.08	136.13	18.05	15.3	8	153.33	176.91	23.58	15.4
9	126.23	145.50	19.27	15.3	9	161.48	186.28	24.80	15.4
10	134.38	154.87	20.49	15.2	10	169.63	195.65	26.02	15.3
11	142.53	164.24	21.71	15.2	11	177.78	205.02	27.24	15.3
12	150.68	173.61	22.93	15.2	12	185.93	214.39	28.46	15.3
13	158.83	182.98	24.15	15.2	13	194.08	223.76	29.68	15.3
14	166.99	192.35	25.36	15.2	14	202.24	233.13	30.89	15.3
15	175.14	201.72	26.58	15.2	15	210.39	242.50	32.11	15.3
16	183.29	211.09	27.80	15.2	16	218.54	251.87	33.33	15.3
17	191.44	220.47	29.03	15.2	17	226.69	261.25	34.56	15.2
18	199.59	229.84	30.25	15.2	18	234.84	270.62	35.78	15.2
19	207.75	239.21	31.46	15.1	19	243.00	279.99	36.99	15.2
20	215.90	248.58	32.68	15.1	20	251.15	289.36	38.21	15.2
21	224.05	257.95	33.90	15.1	21	259.30	298.73	39.43	15.2
22	232.20	267.32	35.12	15.1	22	267.45	308.10	40.65	15.2
23	240.35	276.69	36.34	15.1	23	275.60	317.47	41.87	15.2
24	248.51	286.06	37.55	15.1	24	283.76	326.84	43.08	15.2
25	256.66	295.43	38.77	15.1	25	291.91	336.21	44.30	15.2
26	264.81	304.80	39.99	15.1	26	300.06	345.58	45.52	15.2
27	272.96	314.17	41.21	15.1	27	308.21	354.95	46.74	15.2
28	281.11	323.55	42.44	15.1	28	316.36	364.33	47.97	15.2
29	289.27	332.92	43.65	15.1	29	324.52	373.70	49.18	15.2
30	297.42	342.29	44.87	15.1	30	332.67	383.07	50.40	15.2
31	305.57	351.66	46.09	15.1	31	340.82	392.44	51.62	15.1
32	313.72	361.03	47.31	15.1	32	348.97	401.81	52.84	15.1
33	321.87	370.40	48.53	15.1	33	357.12	411.18	54.06	15.1
34	330.02	379.77	49.75	15.1	34	365.27	420.55	55.28	15.1
35	338.18	389.14	50.96	15.1	35	373.43	429.92	56.49	15.1
36	346.33	398.51	52.18	15.1	36	381.58	439.29	57.71	15.1
37	354.48	407.88	53.40	15.1	37	389.73	448.66	58.93	15.1
38	362.63	417.25	54.62	15.1	38	397.88	458.03	60.15	15.1
39	370.78	426.63	55.85	15.1	39	406.03	467.41	61.38	15.1
40	378.94	436.00	57.06	15.1	40	414.19	476.78	62.59	15.1
41	387.09	445.37	58.28	15.1	41	422.34	486.15	63.81	15.1
42	395.24	454.74	59.50	15.1	42	430.49	495.52	65.03	15.1
43	403.39	464.11	60.72	15.1	43	438.64	504.89	66.25	15.1
44	411.54	473.48	61.94	15.1	44	446.79	514.26	67.47	15.1
45	419.70	482.85	63.15	15.0	45	454.95	523.63	68.68	15.1
46	427.85	492.22	64.37	15.0	46	463.10	533.00	69.90	15.1
47	436.00	501.59	65.59	15.0	47	471.25	542.37	71.12	15.1
48	444.15	510.96	66.81	15.0	48	479.40	551.74	72.34	15.1
49	452.30	520.33	68.03	15.0	49	487.55	561.11	73.56	15.1
50	460.46	529.71	69.25	15.0	50	495.71	570.49	74.78	15.1
51	468.61	539.08	70.47	15.0	55	536.46	617.34	80.88	15.1
52	476.76	548.45	71.69	15.0	60	577.22	664.19	86.97	15.1
53	484.91	557.82	72.91	15.0	65	617.98	711.05	93.07	15.1
54	493.06	567.19	74.13	15.0	70	658.74	757.90	99.16	15.1
55	501.21	576.56	75.35	15.0	75	699.50	804.76	105.26	15.0
56	509.37	585.93	76.56	15.0	80	740.26	851.61	111.35	15.0
57	517.52	595.30	77.78	15.0	85	781.02	898.47	117.45	15.0
58	525.67	604.67	79.00	15.0	90	821.78	945.32	123.54	15.0
59	533.82	614.04	80.22	15.0	95	862.54	992.18	129.64	15.0
60	541.97	623.41	81.44	15.0	100	903.30	1,039.03	135.73	15.0
70	623.49	717.12	93.63	15.0	110	984.82	1,132.74	147.92	15.0
80	705.01	810.83	105.82	15.0	120	1,066.34	1,226.45	160.11	15.0
90	786.53	904.54	118.01	15.0	130	1,147.86	1,320.16	172.30	15.0
100	868.05	998.25	130.20	15.0	140	1,229.38	1,413.87	184.49	15.0

**Tidewater Utilities, Inc.**

**Comparison of Charges Under Present and Proposed Rates  
Apartment & Commercial Customers**

1 1/2" Meters					2" Meters				
Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase		Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase	
			Amount	%				Amount	%
0	\$ 158.64	\$ 183.54	\$ 24.90	15.7	0	\$ 246.75	\$ 285.48	\$ 38.73	15.7
1	166.79	192.91	26.12	15.7	1	254.90	294.85	39.95	15.7
2	174.94	202.28	27.34	15.6	2	263.05	304.22	41.17	15.7
3	183.10	211.65	28.55	15.6	3	271.21	313.59	42.38	15.6
4	191.25	221.02	29.77	15.6	4	279.36	322.96	43.60	15.6
5	199.40	230.39	30.99	15.5	5	287.51	332.33	44.82	15.6
6	207.55	239.77	32.22	15.5	6	295.66	341.71	46.05	15.6
7	215.70	249.14	33.44	15.5	7	303.81	351.08	47.27	15.6
8	223.86	258.51	34.65	15.5	8	311.97	360.45	48.48	15.5
9	232.01	267.88	35.87	15.5	9	320.12	369.82	49.70	15.5
10	240.16	277.25	37.09	15.4	10	328.27	379.19	50.92	15.5
11	248.31	286.62	38.31	15.4	11	336.42	388.56	52.14	15.5
12	256.46	295.99	39.53	15.4	12	344.57	397.93	53.36	15.5
13	264.61	305.36	40.75	15.4	13	352.72	407.30	54.58	15.5
14	272.77	314.73	41.96	15.4	14	360.88	416.67	55.79	15.5
15	280.92	324.10	43.18	15.4	15	369.03	426.04	57.01	15.4
16	289.07	333.47	44.40	15.4	16	377.18	435.41	58.23	15.4
17	297.22	342.85	45.63	15.4	17	385.33	444.79	59.46	15.4
18	305.37	352.22	46.85	15.3	18	393.48	454.16	60.68	15.4
19	313.53	361.59	48.06	15.3	19	401.64	463.53	61.89	15.4
20	321.68	370.96	49.28	15.3	20	409.79	472.90	63.11	15.4
25	362.44	417.81	55.37	15.3	25	450.55	519.75	69.20	15.4
30	403.20	464.67	61.47	15.2	30	491.31	566.61	75.30	15.3
35	443.96	511.52	67.56	15.2	35	532.07	613.46	81.39	15.3
40	484.72	558.38	73.66	15.2	40	572.83	660.32	87.49	15.3
45	525.48	605.23	79.75	15.2	45	613.59	707.17	93.58	15.3
50	566.24	652.09	85.85	15.2	50	654.35	754.03	99.68	15.2
55	606.99	698.94	91.95	15.1	55	695.10	800.88	105.78	15.2
60	647.75	745.79	98.04	15.1	60	735.86	847.73	111.87	15.2
65	688.51	792.65	104.14	15.1	65	776.62	894.59	117.97	15.2
70	729.27	839.50	110.23	15.1	70	817.38	941.44	124.06	15.2
75	770.03	886.36	116.33	15.1	75	858.14	988.30	130.16	15.2
80	810.79	933.21	122.42	15.1	80	898.90	1,035.15	136.25	15.2
85	851.55	980.07	128.52	15.1	85	939.66	1,082.01	142.35	15.1
90	892.31	1,026.92	134.61	15.1	90	980.42	1,128.86	148.44	15.1
95	933.07	1,073.78	140.71	15.1	95	1,021.18	1,175.72	154.54	15.1
100	973.83	1,120.63	146.80	15.1	100	1,061.94	1,222.57	160.63	15.1
110	1,055.35	1,214.34	158.99	15.1	110	1,143.46	1,316.28	172.82	15.1
120	1,136.87	1,308.05	171.18	15.1	120	1,224.98	1,409.99	185.01	15.1
130	1,218.39	1,401.76	183.37	15.1	130	1,306.50	1,503.70	197.20	15.1
140	1,299.91	1,495.47	195.56	15.0	140	1,388.02	1,597.41	209.39	15.1
150	1,381.43	1,589.18	207.75	15.0	150	1,469.54	1,691.12	221.58	15.1
160	1,462.94	1,682.88	219.94	15.0	160	1,551.05	1,784.82	233.77	15.1
170	1,544.46	1,776.59	232.13	15.0	170	1,632.57	1,878.53	245.96	15.1
180	1,625.98	1,870.30	244.32	15.0	180	1,714.09	1,972.24	258.15	15.1
190	1,707.50	1,964.01	256.51	15.0	190	1,795.61	2,065.95	270.34	15.1
200	1,789.02	2,057.72	268.70	15.0	200	1,877.13	2,159.66	282.53	15.1
210	1,870.54	2,151.43	280.89	15.0	210	1,958.65	2,253.37	294.72	15.0
220	1,952.06	2,245.14	293.08	15.0	220	2,040.17	2,347.08	306.91	15.0
230	2,033.58	2,338.85	305.27	15.0	230	2,121.69	2,440.79	319.10	15.0
240	2,115.10	2,432.56	317.46	15.0	240	2,203.21	2,534.50	331.29	15.0
250	2,196.62	2,526.27	329.65	15.0	250	2,284.73	2,628.21	343.48	15.0
260	2,278.13	2,619.97	341.84	15.0	260	2,366.24	2,721.91	355.67	15.0
270	2,359.65	2,713.68	354.03	15.0	270	2,447.76	2,815.62	367.86	15.0
280	2,441.17	2,807.39	366.22	15.0	280	2,529.28	2,909.33	380.05	15.0
290	2,522.69	2,901.10	378.41	15.0	290	2,610.80	3,003.04	392.24	15.0
300	2,604.21	2,994.81	390.60	15.0	300	2,692.32	3,096.75	404.43	15.0
350	3,011.81	3,463.36	451.55	15.0	350	3,099.92	3,565.30	465.38	15.0
400	3,419.40	3,931.90	512.50	15.0	400	3,507.51	4,033.84	526.33	15.0
450	3,827.00	4,400.45	573.45	15.0	450	3,915.11	4,502.39	587.28	15.0
500	4,234.59	4,868.99	634.40	15.0	500	4,322.70	4,970.93	648.23	15.0
550	4,642.19	5,337.54	695.35	15.0	550	4,730.30	5,439.48	709.18	15.0
600	5,049.78	5,806.08	756.30	15.0	600	5,137.89	5,908.02	770.13	15.0
650	5,457.38	6,274.63	817.25	15.0	650	5,545.49	6,376.57	831.08	15.0
700	5,864.97	6,743.17	878.20	15.0	700	5,953.08	6,845.11	892.03	15.0

Tidewater Utilities, Inc.

Comparison of Charges Under Present and Proposed Rates  
*Apartment & Commercial Customers*

3" Meters					4" Meters				
Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase		Thousand Gallons per Qtr	Present Charge	Proposed Charge	Increase	
			Amount	%				Amount	%
0	\$ 475.89	\$ 550.59	\$ 74.70	15.7	0	\$ 740.28	\$ 856.49	\$ 116.21	15.7
1	484.04	559.96	75.92	15.7	1	748.43	865.86	117.43	15.7
2	492.19	569.33	77.14	15.7	2	756.58	875.23	118.65	15.7
3	500.35	578.70	78.35	15.7	3	764.74	884.60	119.86	15.7
4	508.50	588.07	79.57	15.6	4	772.89	893.97	121.08	15.7
5	516.65	597.44	80.79	15.6	5	781.04	903.34	122.30	15.7
6	524.80	606.82	82.02	15.6	6	789.19	912.72	123.53	15.7
7	532.95	616.19	83.24	15.6	7	797.34	922.09	124.75	15.6
8	541.11	625.56	84.45	15.6	8	805.50	931.46	125.96	15.6
9	549.26	634.93	85.67	15.6	9	813.65	940.83	127.18	15.6
10	557.41	644.30	86.89	15.6	10	821.80	950.20	128.40	15.6
20	638.93	738.01	99.08	15.5	20	903.32	1,043.91	140.59	15.6
30	720.45	831.72	111.27	15.4	30	984.84	1,137.62	152.78	15.5
40	801.97	925.43	123.46	15.4	40	1,066.36	1,231.33	164.97	15.5
50	883.49	1,019.14	135.65	15.4	50	1,147.88	1,325.04	177.16	15.4
60	965.00	1,112.84	147.84	15.3	60	1,229.39	1,418.74	189.35	15.4
70	1,046.52	1,206.55	160.03	15.3	70	1,310.91	1,512.45	201.54	15.4
80	1,128.04	1,300.26	172.22	15.3	80	1,392.43	1,606.16	213.73	15.3
90	1,209.56	1,393.97	184.41	15.2	90	1,473.95	1,699.87	225.92	15.3
100	1,291.08	1,487.68	196.60	15.2	100	1,555.47	1,793.58	238.11	15.3
125	1,494.88	1,721.95	227.07	15.2	125	1,759.27	2,027.85	268.58	15.3
150	1,698.68	1,956.23	257.55	15.2	150	1,963.07	2,262.13	299.06	15.2
175	1,902.47	2,190.50	288.03	15.1	175	2,166.86	2,496.40	329.54	15.2
200	2,106.27	2,424.77	318.50	15.1	200	2,370.66	2,730.67	360.01	15.2
225	2,310.07	2,659.04	348.97	15.1	225	2,574.46	2,964.94	390.48	15.2
250	2,513.87	2,893.32	379.45	15.1	250	2,778.26	3,199.22	420.96	15.2
275	2,717.66	3,127.59	409.93	15.1	275	2,982.05	3,433.49	451.44	15.1
300	2,921.46	3,361.86	440.40	15.1	300	3,185.85	3,667.76	481.91	15.1
325	3,125.26	3,596.13	470.87	15.1	325	3,389.65	3,902.03	512.38	15.1
350	3,329.06	3,830.41	501.35	15.1	350	3,593.45	4,136.31	542.86	15.1
375	3,532.85	4,064.68	531.83	15.1	375	3,797.24	4,370.58	573.34	15.1
400	3,736.65	4,298.95	562.30	15.0	400	4,001.04	4,604.85	603.81	15.1
425	3,940.45	4,533.22	592.77	15.0	425	4,204.84	4,839.12	634.28	15.1
450	4,144.25	4,767.50	623.25	15.0	450	4,408.64	5,073.40	664.76	15.1
475	4,348.04	5,001.77	653.73	15.0	475	4,612.43	5,307.67	695.24	15.1
500	4,551.84	5,236.04	684.20	15.0	500	4,816.23	5,541.94	725.71	15.1
550	4,959.44	5,704.59	745.15	15.0	550	5,223.83	6,010.49	786.66	15.1
600	5,367.03	6,173.13	806.10	15.0	600	5,631.42	6,479.03	847.61	15.1
650	5,774.63	6,641.68	867.05	15.0	650	6,039.02	6,947.58	908.56	15.0
700	6,182.22	7,110.22	928.00	15.0	700	6,446.61	7,416.12	969.51	15.0
750	6,589.82	7,578.77	988.95	15.0	750	6,854.21	7,884.67	1,030.46	15.0
800	6,997.41	8,047.31	1,049.90	15.0	800	7,261.80	8,353.21	1,091.41	15.0
850	7,405.01	8,515.86	1,110.85	15.0	850	7,669.40	8,821.76	1,152.36	15.0
900	7,812.60	8,984.40	1,171.80	15.0	900	8,076.99	9,290.30	1,213.31	15.0
950	8,220.20	9,452.95	1,232.75	15.0	950	8,484.59	9,758.85	1,274.26	15.0
1000	8,627.79	9,921.49	1,293.70	15.0	1000	8,892.18	10,227.39	1,335.21	15.0
1100	9,442.98	10,858.58	1,415.60	15.0	1100	9,707.37	11,164.48	1,457.11	15.0
1200	10,258.17	11,795.67	1,537.50	15.0	1200	10,522.56	12,101.57	1,579.01	15.0
1300	11,073.36	12,732.76	1,659.40	15.0	1300	11,337.75	13,038.66	1,700.91	15.0
1400	11,888.55	13,669.85	1,781.30	15.0	1400	12,152.94	13,975.75	1,822.81	15.0
1500	12,703.74	14,606.94	1,903.20	15.0	1500	12,968.13	14,912.84	1,944.71	15.0
1600	13,518.93	15,544.03	2,025.10	15.0	1600	13,783.32	15,849.93	2,066.61	15.0
1700	14,334.12	16,481.12	2,147.00	15.0	1700	14,598.51	16,787.02	2,188.51	15.0
1800	15,149.31	17,418.21	2,268.90	15.0	1800	15,413.70	17,724.11	2,310.41	15.0
1900	15,964.50	18,355.30	2,390.80	15.0	1900	16,228.89	18,661.20	2,432.31	15.0
2000	16,779.69	19,292.39	2,512.70	15.0	2000	17,044.08	19,598.29	2,554.21	15.0
2100	17,594.88	20,229.48	2,634.60	15.0	2100	17,859.27	20,535.38	2,676.11	15.0
2200	18,410.07	21,166.57	2,756.50	15.0	2200	18,674.46	21,472.47	2,798.01	15.0
2300	19,225.26	22,103.66	2,878.40	15.0	2300	19,489.65	22,409.56	2,919.91	15.0
2400	20,040.45	23,040.75	3,000.30	15.0	2400	20,304.84	23,346.65	3,041.81	15.0
2500	20,855.64	23,977.84	3,122.20	15.0	2500	21,120.03	24,283.74	3,163.71	15.0
2600	21,670.83	24,914.93	3,244.10	15.0	2600	21,935.22	25,220.83	3,285.61	15.0
2700	22,486.02	25,852.02	3,366.00	15.0	2700	22,750.41	26,157.92	3,407.51	15.0
2800	23,301.21	26,789.11	3,487.90	15.0	2800	23,565.60	27,095.01	3,529.41	15.0
2900	24,116.40	27,726.20	3,609.80	15.0	2900	24,380.79	28,032.10	3,651.31	15.0

**Tidewater Utilities, Inc.**

**Analysis For Wholesale Rates**

Variable Costs:

Purchased Water	\$ 139,297
Purchased Power	506,631
Chemicals	<u>432,410</u>
Total	\$ 1,078,338
Volume in Thousand Gallons	1,586,721
Unit Variable Cost, \$/1000 Gal	\$ 0.6796

Note: Variable Costs are as utilized in this filing.

Base Costs:

Total Base Costs	\$ 4,875,447
Volume in Thousand Gallons	1,586,721
Unit Base Cost, \$/1000 Gal	\$ 3.0727

Note: Total Base Cost per Exhibit No. T-8, Schedule 4, prior to deducts for Other Revenue and Connection Fees.

O&M Expenses:

Source of Supply	\$ 157,449
Pumping	2,677,937
Water Treatment	1,154,066
Trans. And Dist.	<u>1,176,498</u>
Total	\$ 5,165,950
Volume in Thousand Gallons	1,586,721
Unit O&M Cost, \$/1000 Gal	\$ 3.2557

Note: O&M Expenses per Exhibit No. T-8, Schedule 2.

**Tidewater Utilities, Inc.**

Analysis for Wholesale Rates  
Pro Forma Rate Base

Acct. No.	Description	Base Cost	Extra Cap Max Day	Extra Cap Max Hour	Total
<b>Pro Forma Utility Plant in Service</b>					
310	Land and Land Rights	\$146,091	\$219,137	\$0	\$365,228
314	Wells & Springs	1,602,800	2,404,199	0	4,006,999
316	Supply Mains	10,153	15,230	0	25,383
320	Land and Land Rights	9,396	14,097	46,992	70,485
321	Structures and Improvements	1,166,253	1,749,817	5,833,013	8,749,083
323	Other Power Prod. Equip.	85,266	127,931	426,459	639,656
325	Electric Pumping Equipment	2,395,362	3,593,941	11,980,402	17,969,705
326	Diesel Pumping Equipment	400	600	2,000	3,000
331	Structures and Improvements	107,228	160,842	0	268,070
332	Water Treatment Eq.	3,035,303	4,552,954	0	7,588,257
340	Land and Land Rights	32	48	238	318
342	Dist. Reservoirs & Standpipes	199,155	298,733	1,493,664	1,991,552
343	Trans. & Dist. Mains	1,657,196	2,486,415	8,288,465	12,432,076
	<b>Total Above</b>	<b>\$10,414,635</b>	<b>\$15,623,944</b>	<b>\$28,071,233</b>	<b>\$54,109,812</b>
	<b>Total Plant In Service per Exhibit No. T-8, Schedule 1</b>	<b>\$13,008,666</b>	<b>\$19,193,167</b>	<b>\$46,164,435</b>	<b>\$78,366,268</b>
	<b>% to Total Plant (Factor A)</b>	<b>80.06 %</b>	<b>81.40 %</b>	<b>60.81 %</b>	<b>69.05 %</b>
<b>Pro Forma Depreciation Reserve</b>					
314	Wells & Springs	(\$153,939)	(\$230,909)	\$0	(\$384,848)
316	Supply Mains	12,456	18,685	0	31,141
321	Structures and Improvements	(245,100)	(367,741)	(1,225,865)	(1,838,706)
323	Other Power Prod. Equip.	(35,581)	(53,385)	(177,957)	(266,923)
325	Electric Pumping Equipment	(433,131)	(649,859)	(2,166,305)	(3,249,295)
326	Diesel Pumping Equipment	(249)	(373)	(1,245)	(1,867)
331	Structures and Improvements	(30,279)	(45,419)	0	(75,698)
332	Water Treatment Eq.	(595,470)	(893,205)	0	(1,488,675)
342	Dist. Reservoirs & Standpipes	(25,926)	(38,889)	(194,446)	(259,261)
343	Trans. & Dist. Mains	(103,074)	(154,649)	(515,522)	(773,245)
	<b>Total Above</b>	<b>(\$1,610,293)</b>	<b>(\$2,415,744)</b>	<b>(\$4,281,340)</b>	<b>(\$8,307,377)</b>
	<b>Depreciated Plant per Above</b>	<b>\$8,804,342</b>	<b>\$13,208,200</b>	<b>\$23,789,893</b>	<b>\$45,802,435</b>
	<b>Total Depreciated Plant per Exhibit No. T-8, Schedule 1</b>	<b>\$19,017,246</b>	<b>\$28,477,439</b>	<b>\$76,750,269</b>	<b>\$124,244,954</b>
	<b>% to Total Depreciated Plant (Factor B)</b>	<b>46.30 %</b>	<b>46.38 %</b>	<b>31.00 %</b>	<b>36.86 %</b>
<b>Rate Base Additions</b>					
	Materials and Supplies	\$13,243	\$20,138	\$39,987	\$73,368
	Cash Working Capital	334,764	228,384	342,696	905,844
	Deferred FIT	(800,819)	(1,217,793)	(2,418,158)	(4,436,770)
	<b>Total Additions</b>	<b>(\$452,812)</b>	<b>(\$969,271)</b>	<b>(\$2,035,475)</b>	<b>(\$3,457,558)</b>
<b>Rate Base Deductions</b>					
314	Wells & Springs	(\$21,413)	(\$32,119)	\$0	(\$53,532)
321	Structures and Improvements	(674)	(1,011)	(3,372)	(5,057)
332	Water Treatment Eq.	(24,080)	(36,120)	0	(60,200)
342	Dist. Reservoirs & Standpipes	(468)	(702)	(3,508)	(4,678)
343	Trans. & Dist. Mains	(833,061)	(1,249,904)	(4,166,554)	(6,249,519)
	<b>Total Deductions</b>	<b>(\$879,696)</b>	<b>(\$1,319,856)</b>	<b>(\$4,173,434)</b>	<b>(\$6,372,986)</b>
	<b>Total Rate Base per this Schedule</b>	<b>\$7,471,834</b>	<b>\$10,919,073</b>	<b>\$17,580,984</b>	<b>\$35,971,891</b>
	<b>Total Pro Forma Rate Base per Exhibit No. T-8, Schedule 1</b>	<b>\$13,008,666</b>	<b>\$19,193,167</b>	<b>\$46,164,435</b>	<b>\$78,366,268</b>
	<b>% to Total Pro Forma Rate Base (Factor C)</b>	<b>57.44 %</b>	<b>56.89 %</b>	<b>38.08 %</b>	<b>45.90 %</b>

**Notes:**

- 1) Factor A applied to Materials and Supplies and to Deferred FIT as developed on Exhibit No. T-8, Schedule 1.
- 2) Factor D applied to Cash Working Capital as developed on Exhibit No. T-8, Schedule 1.
- 3) A factor of 15 % was applied to the T&D Plant cost elements developed on Exhibit No. T-8, Schedule 1.

**Tidewater Utilities, Inc.**

Analysis for Wholesale Rates  
Pro Forma Revenue Requirement

Acct. No.	Description	Base Cost	Extra Cap Max Day	Extra Cap Max Hour	Total
Pro Forma O&M Expense					
	Source of Supply				
600	Oper. Super. & Eng. - Labor	\$0	\$0	\$0	\$0
600	Oper. Super. & Eng. - Other	0	0	0	0
601	Operation Labor	0	0	0	0
601	Operation Expenses	31	46	0	77
602	Purchased Water	55,719	83,578	0	139,297
603	Miscellaneous Expenses	600	900	0	1,500
610	Maint. Super. & Eng. - Labor	0	0	0	0
610	Maint. Super. & Eng. - Other	0	0	0	0
611	Maint. Of Structures. - Labor	0	0	0	0
611	Maint. Of Structures. - Other	0	0	0	0
614	Maint. of Wells & Sp'gs - Labor	3,486	5,228	0	8,714
614	Maint. of Wells & Sp'gs - Other	3,144	4,717	0	7,861
616	Maint. Of Supply Mains - Labor	0	0	0	0
616	Maint. Of Supply Mains - Other	0	0	0	0
	Total Source of Supply	\$62,980	\$94,469	\$0	\$157,449
	Pumping				
620	Oper. Super. & Eng. - Labor	\$0	\$0	\$0	\$0
620	Oper. Super. & Eng. - Other	0	0	0	0
622	Power Production Labor	0	0	0	0
622	Power Production Expenses	21	31	105	157
623	Purchased Power	430,636	50,663	25,332	506,631
624	Pumping Labor	168,753	253,193	844,021	1,265,967
624	Pumping Expense	20,969	31,461	104,875	157,305
626	Pumping Misc. Labor	1,115	1,673	5,576	8,364
626	Pumping Misc. Expense	26,063	39,105	130,356	195,524
630	Maint. Super. & Eng. - Labor	0	0	0	0
630	Maint. Super. & Eng. - Other	0	0	0	0
631	Maint. Of Structures. - Labor	38,302	57,468	191,570	287,340
631	Maint. Of Structures. - Other	(1,876)	(2,815)	(9,382)	(14,073)
632	Maint. Of Power Prod. Eq. - Labor	1,317	1,975	6,585	9,877
632	Maint. Of Power Prod. Eq. - Other	3,965	5,949	19,829	29,743
633	Maint. Of Pumping Eq. - Labor	18,650	27,982	93,277	139,909
633	Maint. Of Pumping Eq. - Other	12,156	18,239	60,798	91,193
	Total Pumping	\$720,071	\$484,924	\$1,472,942	\$2,677,937
	Water Treatment				
640	Oper. Super. & Eng. - Labor	\$848	\$1,271	\$0	\$2,119
640	Oper. Super. & Eng. - Other	0	0	0	0
641	Chemicals - Water Treatment	432,410	0	0	432,410
642	Treatment Exp. - Labor	132,808	199,211	0	332,019
642	Treatment Exp. - Other	126,233	189,350	0	315,583
643	Treatment Misc. Exp.	5,200	7,800	0	13,000
650	Maint. Super. & Eng. - Labor	0	0	0	0
650	Maint. Super. & Eng. - Other	0	0	0	0
651	Maint. Of Structures. - Labor	340	510	0	850
651	Maint. Of Structures. - Other	2,178	3,267	0	5,445
652	Maint. Of Treatment Eq. - Labor	5,816	8,724	0	14,540
652	Maint. Of Treatment Eq. - Other	15,240	22,860	0	38,100
	Total Water Treatment	\$721,073	\$432,993	\$0	\$1,154,066

**Tidewater Utilities, Inc.**

**Analysis for Wholesale Rates  
Pro Forma Revenue Requirement**

<u>Acct. No.</u>	<u>Description</u>	<u>Base Cost</u>	<u>Extra Cap Max Day</u>	<u>Extra Cap Max Hour</u>	<u>Total</u>
	Transmission and Distribution				
661	Storage Facilities Labor	\$0	\$0	\$0	\$0
661	Storage Facilities Expense	0	0	0	0
662	Trans. & Dist. Labor	11,631	17,450	58,171	87,252
662	Trans. & Dist. Expenses	304	456	1,521	2,281
660	Oper. Super. & Eng. - Labor	1,530	2,295	7,651	11,476
660	Oper. Super. & Eng. - Other	346	519	1,731	2,596
665	Misc. T&D Labor	14	22	72	108
665	Misc. T&D Expense	0	0	0	0
671	Maint. Of Structures. - Labor	29	44	146	219
671	Maint. Of Structures. - Other	13	19	64	96
672	Maint. Of Dist. Res. & St'pipes - Labor	13	19	96	128
672	Maint. Of Dist. Res. & St'pipes - Other	218	327	1,634	2,179
673	Maint. Of Mains - Labor	914	1,371	4,569	6,854
673	Maint. Of Mains - Other	1,044	1,567	5,224	7,835
670	Maint. Super. & Eng. - Labor	0	0	0	0
670	Maint. Super. & Eng. - Other	480	720	2,522	3,722
678	Misc. Maint. Expense	48	73	255	376
	Total Trans. & Dist.	\$16,584	\$24,882	\$83,656	\$125,122
	Total Pro Forma O&M per Above	\$1,520,708	\$1,037,268	\$1,556,598	\$4,114,574
	Total Pro Forma O&M per Exhibit No. T-8, Schedule 2	\$2,626,482	\$2,696,210	\$5,127,382	\$10,450,074
	% to Total Pro Forma O&M (Factor D)	57.90 %	38.47 %	30.36 %	39.37 %
	Total Labor Expense per Above	\$385,566	\$578,436	\$1,211,734	\$2,175,736
	Total Labor Expense per Exhibit No. T-8, Schedule 2	\$602,001	\$903,117	\$2,005,205	\$3,510,323
	% to Total Labor Expense (Factor E)	64.05 %	64.05 %	60.43 %	61.98 %

**Tidewater Utilities, Inc.**

Analysis for Wholesale Rates  
Pro Forma Revenue Requirement

Acct. No.	Description	Base Cost	Extra Cap Max Day	Extra Cap Max Hour	Total
Pro Forma Depreciation Expense					
314	Wells & Springs	\$37,479	\$56,218	\$0	\$93,697
316	Supply Mains	141	212	0	353
321	Structures and Improvements	36,366	54,563	181,885	272,814
323	Other Power Prod. Equip.	2,865	4,298	14,329	21,492
325	Electric Pumping Equipment	75,933	113,928	379,779	569,640
326	Diesel Pumping Equipment	22	32	108	162
331	Structures and Improvements	3,099	4,648	0	7,747
332	Water Treatment Eq.	87,024	130,537	0	217,561
342	Dist. Reservoirs & Standpipes	3,199	4,798	23,991	31,988
343	Trans. & Dist. Mains	11,785	17,682	58,943	88,410
	Total Pro Forma Depreciation Expense	\$257,913	\$386,916	\$659,035	\$1,303,864
Taxes Other Than Income Taxes					
	Payroll Taxes	\$34,073	\$51,134	\$107,114	\$192,321
	Property Taxes	16,648	24,970	44,991	86,609
	Other Taxes	118	172	277	567
	PSC Assessment	6,972	10,188	16,403	33,563
	Total Operating Expenses Before Income Taxes	\$1,836,432	\$1,510,648	\$2,384,418	\$5,731,498
	State Income Taxes	55,691	81,385	131,030	268,106
	Federal Income Taxes	198,707	290,384	467,522	956,613
	Utility Operating Income	\$637,300	\$931,330	\$1,499,452	\$3,068,082
	Total Revenue Requirement per Above	\$2,728,130	\$2,813,747	\$4,482,422	\$10,024,299
	Total Revenue Requirement per Exhibit No. T-8, Schedule 4	\$4,875,447	\$5,953,953	\$12,817,638	\$23,647,038
	% to Total Revenue Requirement (Factor F)	55.96 %	47.26 %	34.97 %	42.39 %
	Less Other Revenue	(\$127,610)	(\$131,681)	(\$209,779)	(\$469,070)
	Less Connection Fees	(30,542)	(31,517)	(50,209)	(112,268)
	Net Revenue Required From Rates	\$2,569,978	\$2,650,549	\$4,222,434	\$9,442,961

Notes:

- 1) Factor E applied to Payroll Taxes as developed on Exhibit No. T-8, Schedule 4
- 2) Factor B applied to Property Taxes as developed on Exhibit No. T-8, Schedule 4
- 3) Factor C applied to Other Taxes, State and Federal Income Taxes, and Utility Operating Income as developed on Exhibit No. T-8, Schedule 4.
- 4) Factor F applied to Other Revenue and Connection Fees as developed on Exhibit No. T-8, Schedule 4
- 5) A factor of 15 % was applied to the T&D expense cost elements developed on Exhibit No. T-8, Schedule 2

Development of Wholesale Rate:

Allocation Factors to General Water  
per Exhibit No. T-8, Schedule 7

	99.00 %	98.17 %	92.24 %	
Apply to Above Net Revenue Requirement	\$2,544,278	\$2,602,044	\$3,894,773	\$9,041,095
Volume in Thousand Gallons	1,586,721	1,586,721	1,586,721	1,586,721
Unit Costs, \$/1000 Gal	\$1.6035	\$1.6399	\$2.4546	\$5.6980